THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVII Single Copies, 10 Cents. PUBLICATION OFFICE: TORONTO, JANUARY 19, 1923 Annual Subscription, $5.00 No. 3

EUROPE CONTROLS PRICES CANADA'S EXPORT PRODUCTS

Situation Bears Directly on the World's Greatest Wheat Exporter

THE COMING CROP

A Good Market Indicated if Buying Power is Maintained—Smaller Yield of U.S. Winter Wheat

In total exports of wheat Canada has assumed a leading position. A recent report published by the International Institute of Agriculture places the exportable surplus of the leading wheat growing countries in the following order: Canada 312,000,000 bu., United States 305,000,000; Brit. India 37,000,000; Australia 33,000,000; Argentina 20,000,000. Canada's exportable surplus promises to exceed the figure quoted.

As the greatest wheat exporting country in the world Canada is vitally concerned with the developments of Europe. Upon the buying power of the importing countries, rather than upon their needs, the value of Canada's agricultural products will be fixed. The present developments in Europe, therefore, may be watched with close interest.

Indications are that there will be an increasing need for wheat from America to supply the world on the basis of consumer needs—so long as buying power can be adjusted to that need. Not only is the United States becoming more and more a home consumer of agricultural products but there are indications that the winter wheat crop this year, the big wheat crop in the States, will show a decline. This should reflect in increased demand for Canada's 1923 wheat.

The United States Department of Agriculture reports that winter wheat has been sown on 46,069,000 acres, or 3.2% less area than sown in 1921. The condition of winter wheat on December 1 was estimated to be 79.5% of normal compared with 76% in the previous year and 87.9% in 1920. The average condition on December 1 over a period of five years is 87.9% of normal. "Well may we watch the weather this winter," says the Wall Street Journal recently, pointing out that the start has not been favorable. Eastern Kansas is said to be in excellent condition but the Western portion has not germinated well. That State, which is the greatest producer of winter wheat, like Oklahoma, Texas and California, has an average condition higher than a year ago, but the total acreage is smaller. The States north of Kansas have the same acreage as last year but are in lower condition.

World production of wheat in 1922 has been estimated by the United States Department of Agriculture at 3,019,526,000 bushels based on actual estimates from reporting countries and estimates based on condition reports. Production in 1921 was 3,059,596,000 bushels and for the pre-war 1909-13 average 2,890,353,000 bushels. Decreases occur in nearly all European countries. Total European production is estimated at 1,100,991,000 bushels compared with 1,239,256,000 bushels in 1921 and a pre-war average for five years of 1,275,157,000 bushels. British India and Japan will have 392,847,000 bushels compared with 282,094,000 bushels in 1921 and 375,827,000 bushels the pre-war average. Both Canada and the United States show increased production over 1921, with a combined estimated outturn of 1,125,968,000 bushels, compared with 1,095,751,000 bushels in 1921 and 883,810,000 bushels for the five year pre-war average.

THE BUSINESS OUTLOOK

The general business situation has not displayed any definite trend since the first of the year. The expressions regarding the future by the officials of the banks and other financial institutions might be regarded as guardedly optimistic—in brief everything is all right unless something unforeseen happens. The western view of the situation expressed by J. W. Hamilton, assistant general manager of the Union Bank, at the annual meeting of the shareholders is interesting. "The condition of business in Canada is better than last year," said Mr. Hamilton, "and on the whole, we can look forward to the coming year with confidence as one which will greatly restore the economic conditions of the country, enhance the property of the producer and improve the position of all financial, mercantile and producing classes."

Industrial activities are being generally maintained on a satisfactory basis. The outlook in the lumber industry is particularly good. Operations in the woods are of a high scale and demand is strengthening; British Columbia notes a strong export movement.

The orders for cars placed by the National Railways are not only a factor as regards the operations of the car companies but many allied industries supplying the materials required.

Looks Like Welcome to New Quebec Bank

From Our Own Correspondent.

MONTREAL.—Announcement of an application to be made to the Dominion Parliament at the next session for a new bank for farmers in the Province of Quebec is received with a welcome rather than otherwise in banking circles here. It is felt that a bank such as is proposed, "La Banque des Cultivateurs" (The Farmers' Bank) if well managed and provided with ample capital should find a place for its widely extended operations in the farming community of the Province. Apart from the three French-Canadian banks, the banks have not spread out probably to the extent seen in Western Canada. The promoters include Hon. J. E. Caron, Minister of Agriculture in the Quebec Government; C. J. Lockwell, real estate broker; Napoleon Lavoie, formerly of the Banque Nationale; Joseph Sirois, notary; A.Gagnon, merchant; Louis Letourneau, manufacturer, all of Quebec city, and Arsene Denis, farmer of Joliette.

DEPRECIATION SETS NET PROFIT OF STEAMSHIPS

Not Known If Preferred Dividend Will Be Shown As Earned

From Our Own Correspondent.

MONTREAL.—A good deal of interest has been created by the announcement of the president of Canada Steamship Lines, W. H. Coverdale, that the company's operating profits for the eleven months ended Nov. 30, 1922, were $1,785,453, as against interest charges of $656,439. This would leave a balance of over $1,100,000 against preferred dividend requirement, at 7 per cent., of $875,000. The whole point in the question as to whether the company will show the preferred dividends earned for the year 1922, rests now in the amount that it will be decided finally to allow for depreciation. In the 1921 statement depreciation allowance was very heavy and nearly wiped out the surplus on hand, the sum of close to $4,000,000 being allowed for losses on ocean vessels alone, and a sum of $1,500,000 put in reserve for possible losses on one of the subsidiary concerns. It is not thought that anything approaching these sums will be required this year but until the exact amount is known it would be futile to figure on the earnings' position of the company so far as the preferred stock is concerned. The bondholders may rest easy, of course, with bond interest earned almost three times according to the statement.

So far as earnings are concerned it is known that a large amount of revenue from coal, representing probably hundreds of thousands of tons, was lost for the company as a result of the strike. On the other hand the revenue from the transportation of grain must have been much heavier than under normal conditions and this it may be gathered would wipe out the other loss. Nothing, of course, is heard as to dividend resumption, and it may be presumed that this matter is not yet ripe for discussion.

An announcement has been made of the following appointments to the London Advisory Committee:

Sir Walter R. Lawrence, Bart., G. C. I. E., G. C. V. O., C. B., director of the Peninsular and Oriental Steam Navigation Company; Sir Reginal MacLeod, K. C. B., chairman of the Gresham Fire and Accident Insurance Society, Limited; R. B. Phillpotts.

May Redeem Part of Barcelona's Bonds

There is a movement on the part of the directors of Barcelona Traction to retire some of the outstanding bonds of this corporation. It is understood that Alfred Lowenstein, C. B., London, is fathering the proposal and that the bonds are held by Belgian interests. It is stated in some circles closely allied with the British interests that the amount which it is proposed to retire is a large one which would place the common stock in a much better position by wiping out this indebtedness which has a prior claim on earnings. It is understood that the proposal is in the initial stages. Canadian holdings in Barcelona are heavy. British and Belgian interests have been heavy buyers of late. One broker says the rise in the issue from $6 and $7 a few months ago to $15 to-day is due to European buying and may be traced to advance knowledge of the bond redemption proposal.

Barcelona has about $100,000,000 outstanding. Here are the issues, based at a conservative sterling rate:

Common	$27,450,000
Preferred	8,485,000
A Prior Lien 7 p.c.	8,250,000
B Prior Lien 7 p.c.	9,500,000
1st Mortgage	37,500,000
Debentures	5,000,000
Income	4,000,000
Total	$100,185,000

LABOR SEEMS TO DOMINATE POLICY ON IMMIGRATION

And Europe Is Most Likely Source for New Settlers

FEW FROM STATES

In Fact the Figures Indicate That the Movement at Present is in Other Direction

From Our Own Correspondent.

OTTAWA.—Minister of Immigration Stewart is evidently having a hard time of it getting anything like an aggressive immigration policy launched. The most important result that came out of the recent conference with the provinces was the announcement that a vigorous attempt would be made to bring back from the States Canadians who had gone there. There is a general desire to help the government in this and any other proposal that is likely to get people into the country; but opinion generally here is skeptical of the probable results of such a policy.

An immigration policy, like everything else, will be successful in proportion as it runs with the tide. So the effort to get Canadians back from the United States will likely be successful in proportion as an inclination is shown on the part of people generally in the United States to come to Canada.

Movement is Other Way

The Customs returns for November indicate that the movement is strongly the other way. As no record is kept of the number of persons who leave the country, it is impossible to say accurately how many go out during a given month, but the customs figures show that during November the value of settlers' effects from the States was $457,774, while the value of settlers' effects that went there was $776,332. That is to say, on the deal the United States gained to the extent of $320,000.

Hitherto those who have shown most inclination to return are French-Canadians who have settled in the New England States, a number of whom have gone north to the Abitibi and Lake St. John country. Whether there are indications of another important treck northward it is impossible to say, but as yet no advance notices of it have appeared.

Those whose opinions on immigration are worth while are of the opinion that if immigration of any account is to be secured during the next year or two it must come from across the seas. That there is a natural desire on the part of thousands of people in Europe to come over is evident from the fact that so many restrictions have been placed on their entrance into either Canada or the United States. The political influence of labor is evidently a strong factor in deterring the government from lifting the barrier so far as European immigration is concerned.

GOODRICH CO. WILL MAKE TIRES IN CANADA

Secures Big Interest in Ames Holden Tire Co. for Domestic and Export Manufacturing

From Our Own Correspondent.

MONTREAL.—An upward turn in the fortune of the Ames Holden Tire Co. appears to have been reached this week from the announcement that a substantial interest in the Company had been acquired by the B. S. Goodrich Co. of Akron, Ohio, which ranks among the four large manufacturers of tires and rubber goods in the world. THE FINANCIAL POST understands that all the Goodrich tires which heretofore have been imported into Canada, and also those intended for export purposes under the preferential tariff arrangements Canada has for Empire trade, will be manufactured at the Ames Holden plant in future. This in itself will mean a very large increase in production but this does not mean that control has passed into the hands of the United States company but simply that it has acquired a large interest and that the two will co-operate in manufacture in this country. It is understood that the Ames Holden brand will be produced and sold as usual, through the sales organization of what was formerly the parent company. The Goodrich sales organization will also continue in operation. This arrangement has been made in the interest primarily, perhaps, of the bondholders through A. J. Nesbitt and W. D. Wiegand, now general manager of the Ames Holden Tire Co. The name of the Company, however, will be changed and be known in future as the Ames Holden Tire & Rubber Co.

CALL MONEY TO 6 PER CENT.

From Our Own Correspondent.

MONTREAL.—The call loan money rate is weakening and the 6½ per cent. that has held for several years is disappearing. This week one bank offered funds at 6 per cent.

Storm of Protest From West Over High Rates on the Lakes

Demand That Control of "One Big Shipping Concern" Be Broken—Grain Growers Up in Arms for Better Facilities—Forty-Five New Boats Next Year—Facilities Jammed at Montreal.

The high rates which have been paid on the lakes this season for the transportation of grain—rates which it is alleged have robbed the farmer of the advantage of the reduction in rail freight charges—have already lent force to the demands for additional facilities in getting the western crops to market. Sir Henry Thornton is being met with urgent requests that the line to Hudson's Bay be completed and that additional elevators be erected at the Pacific to facilitate the movement of wheat through the Panama canal.

Colin H. Burnell, president of the United Farmers of Manitoba, contends that the grain carrying monopoly from the upper lakes approaches a menace to the farmers of the west. He has expressed the determination that the organized farmers of the West must require and obtain a strict control of lake shipping rates. The Manitoba Free Press has taken up the matter and is demanding some adequate control of lake rates on behalf of the Western farmers. "Certainly," it points out, "no time should be lost in devising ways and means of curbing Canadian lake shipping interests so that it will not be possible for one shipping office in Winnipeg to dominate Canada's greatest single source of wealth, namely, her grain production."

These indications and the announcement of the organization of new companies to operate on the lakes go to prove the contention of THE FINANCIAL POST that not only were the shipping companies by the imposition of high rates adding to the discontent of the Western farmers, but that they were creating a situation where not only is competition encouraged but government regulation of rates becomes a natural and well founded demand with the result that in the long run it is likely to be found that they were merely "killing the goose."

Many New Boats Next Year

As the result of the situation which developed this year it is reported from Port Colborne that it is expected that there will be an additional 45 canal-sized boats operating on the lakes in 1923. The Ogilvie Company will operate its own boats and the organization of the Eastern Steamship Co. has already been reported. Thus the situation is working economically to a solution from a transportation standpoint, but it may easily be that too many boats may be put on for profitable operation, particularly if this year's crisis leads to the development of new and less practical outlets or a regulation of rates which will not return a fair profit on the capital invested.

The owners of boats, it is being contended, did not make the profits which might be judged from the rates which prevailed during the fall rush of grain this year. Up to the time the new crop started to move rates were little above normal and boats were chartered on this basis, contracts in many cases running through September, October and November. The rates were rushed up on free boats when congestion developed at Montreal, some twenty boats having been sent to that port from the Atlantic seaboard ports because of congestion of rail traffic between Buffalo and the coast. Montreal facilities were not sufficient to handle the increased flow of grain and shippers with ocean space chartered were in the position of bidding up the rates to fulfill the conditions of consignment and were willing to pay the excess rate to Montreal to save charges which the tying up of ocean boats would have entailed.

This led to very high rates on boats not under charter. Owners make the point, however, that much of the revenue in such cases is lost if boats are tied up and unable to discharge as was the case during the rush of the new crop this season.

Big Rush of Grain to Montreal

In connection with the lake situation this year it should not be overlooked that not only was there a rush of grain through Montreal from Buffalo, which usually goes to the Atlantic seaboard, but the movement from the Canadian West between August and the close of navigation totalled over 209,000,000 bushels, or over 47,000,000 bushels more than the previous year in the same period, and about four times as much as in 1918.

One of the most experienced boat owners and operators on the lakes makes the point to THE FINANCIAL POST that the solution of such a situation as developed this year is greater grain-handling facilities at Montreal. Montreal, he says, cannot take care of more than 400 cars a day—that is the C.P.R. and the Grand Trunk—while the C.P.R. at Port McNichol alone can handle 300 cars per day easily and the Grand Trunk between Midland and Tiffin can load 500 cars per day, with Depot Harbor and Goderich also shipping to Montreal. During the last two seasons, he says, the mouth of the funnel has been choked. With grain flowing through lake ports at the rate of 1,000,000 bushels a day and Montreal only able to take care of about 400,000 or 500,000 bushels a day the stream backs up. The lake elevators fill and boats have to wait to unload. This makes for higher rates without profit to the boat owners, this owner explains.

Greater Facilities Needed at Montreal

This is a situation which could well be considered from the standpoint of providing additional facilities at Montreal. The rapid handling of the crop at reasonable rates is not only a problem of the West but a problem affecting Canada as a whole. Whether the excessive rates result in big profits for a shipping combine, whether they go to the owners of the boats or whether they represent an economic loss through congestion and delay, the result is the same to the farmer and Canada as the greatest wheat exporting country in the world cannot afford to permit the grower of grain to be discouraged because of the handling of his product after it leaves his hands.

WESTERN FARMERS TO BREAK COMBINE

Grain Growers Will Have Support of Railways in Fighting Lake Rates

From Our Own Correspondent.

WINNIPEG.—Colin H. Burnell, again president of the United Farmers for 1923, declares that the grain carrying monopoly from the upper lakes approaches a menace to the farmers of the prairie provinces. "Transportation costs must be cheapened—they will always be a large item of expense to the western farmer," was the trend of his argument to the Brandon convention of the United Farmers of Manitoba during the past week. Simultaneously Sir Henry Thornton for the Canadian National Railways, making his debut to the West (incidentally the new C. N. R. president made his first public appearance in the West at the C. P. R. Hotel) enunciated his conviction that the rail carriers must continue to put forward their utmost effort in rate pruning to the relief of the grain growers of Western Canada.

Assured of the co-operation of the railways the Western farmers may be expected now to concentrate in a drive for lower waterway rates.

The situation has already apparently determined the attitude of the organized farmers of the West toward the projected scheme for deepening the St. Lawrence. "Before the organized farmers give any support to the proposed St. Lawrence Great Waterways," says Mr. Burnell, "we should demand ample assurance that the rates will be controlled so that any advantage derived will not be entirely appropriated by a shipping combine."

Trade figures show exports of 85,505 tons of newsprint during December as compared with 72,659 tons in December, 1921, an increase of 18 per cent.

BIG RISE IN VALUE OF BANK STOCKS

Ten Issues Show an Increase of Over $6,500,000 Since First of Year

The demand for Canada's bank stocks for investment funds has been heavy since the turn of the year, the total purchase of such issues having amounted to $463,700 in two weeks' trading. Perhaps more interesting, however, has been the increased market value of the stocks outstanding as a result of this buying. Nine issues were dealt in for a total of 4,122 shares of the 4,637 shares traded in and material rises in price have been recorded. The Royal has led with 11 points while Molsons gained 10. Others have increased six and seven points. In all the market values of the nine leading bank stocks have shown an increase of $6,557,000.

Declines in bank stocks have been negligible, due more to neglect than perhaps any other reason. Hamilton, Nova Scotia and Hochelaga were included in these issues, and their losses were fractional.

Bank	1923 open	prsnt.	sales	mkt.inc.
Commerce	193	200½	880	975,000
Dominion	191	198	292	420,000
Molsons	162	172	167	400,000
Montreal	231	237	754	1.635,000
Royal	208½	221½	858	2,652,000
Imperial	180½	181	677	35,000
Standard	204	206½	95	100,000
Toronto	183	185	171	100,000
Union	136	139	228	240,000
			4,122	6,557.000

GOING TO THE STATES

Reports from Vancouver are to the effect that the U. S. immigration office there is thronged with people seeking entry to the United States where work is said to be more readily obtained than in Canada.

FARM PRODUCTS FROM PRAIRIES REACH BIG SUM

About $370,000,000 for Sales Made to End of Year

LAKES CUT PROFIT

High Costs Also Factor—Prices Improving and Outlook Better for Grain, Live Stock and Dairying

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

WINNIPEG.—From the sale of grain from the crop of 1922 from the first movement in August to the 30th of December, the returns have been for inspected grains alone, over $244,000,000. To this is added the yearly returns from the stockyards nearly $36,000,000, from the dairies over $54,000,000, from eggs exported out of the country $750,000, for wool handled by the Canadian Co-operative Wool Growers $500,000, from potatoes, other root crops and fodder crops nearly $24,000,000, or a grand total of very nearly $360,000,000. This represents money which has actually come into the West up to the end of the year and the statement is made that another $10,000,000 might be added to this for local sales of eggs, poultry, honey and other minor products.

Of course this large sum of money has not spelled profit to the farmers as much of the grain and all of the cattle have been sold at low prices. Nevertheless this volume of money moving into the country must have had an appreciable effect on conditions. Speaking of the outlook for this year one can point out that in the matter of wheat, for example, in spite of the enormous movement, the heaviest in the history of all Canada, the price has steadily advanced. The average price for September was $1.00⅝, for October $1.00⅞, for November $1.09¼ and for December $1.09½. These are the average prices taken from the daily prices at the close of the markets at the grain exchange.

These would have been very profitable prices had the things which farmers have to buy receded to anything like pre-war days but that is "the fly in the ointment." Some things which the farmer has to pay for have been less. Threshing, for example, has dropped 5 cents per bushel for wheat, but mainly what he has to buy is much dearer than it was in 1913 and there is no getting away from the fact that the advantage gained by the return to the Crows Nest Pass freight rates has been offset by the excessive lake freights.

To Seed Big Area

In spite of these things, however, the demand for good seed grain and the discussion at farmers' meetings would indicate that the growers of wheat are prepared to seed a great area again this coming season. The Manitoba Grain Growers have voted in favor of a compulsory wheat pool. The probabilities are that something along this line will be entered into

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EDITORIAL

Electric Railway Failures—Business Sense in National Defence—Why Not Try Better Farming, Too—Shareholders as Advertisers—Information for Bondholders—When Big Business Fails.

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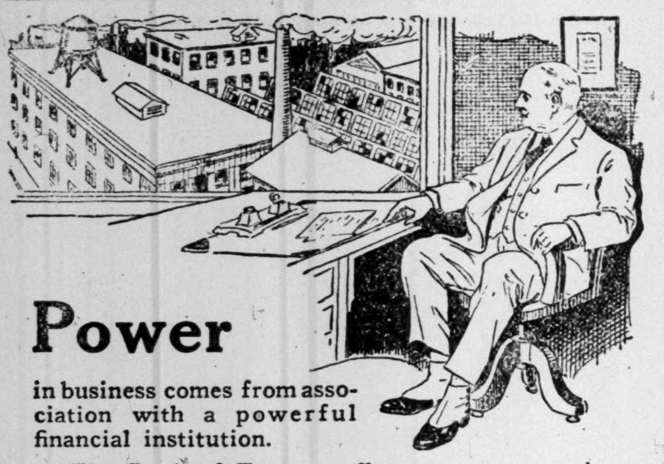

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JOHN R. LAMB, GENERAL MANAGER

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The Standard Bank of Canada

Quarterly Dividend Notice No. 129

A Dividend at the rate of Three and One-Half Per Cent. (3½) for the three months ending 31st January, 1923, has been declared payable on the 1st of February, 1923, to Shareholders of record as at the 17th of January, 1923.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 28th of February next, at 12 o'clock noon.

By Order of the Board,

C. H. EASSON, General Manager.

Toronto, December 13th, 1922.

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

DRUMMOND BLDG., MONTREAL

CANADA'S FELDSPAR CANNOT GET INTO BRITISH MARKET

Mines Official Reiterates Views on His Investigations

DEMAND LIMITED

Suggests That Post's Enquirer Is Wrong When He Suggests 50,000 Ton Market

Quite a controversy has been raging in regard the consumption of feldspar in England and the chances of the Canadian product invading the market. The discussion followed the publication in the special mining edition of THE FINANCIAL POST of an article by Spence of the Federal Department of Mines, who had investigated the market thoroughly. His conclusion that the market was so limited, and transportation charges from Scandinavia so low, that the Canadian product could not compete.

Following publication the following questions relating to the article were sent to THE FINANCIAL POST:

Is not the consumption of Feldspar by English industries more than 5,000 tons per annum?

It may be that the statement setting out the above total as the consumption may be a typographical error, or refers to the highest grade of dental spar.

Is not the market at least 50,000 tons per annum?

Is it not practicable to ship selected spar from Canada to Great Britain and secure a much higher price than suggested by Mr. Spence, $13 per ton?

Is it not possible to grind our feldspar and ship it overseas at a correspondingly higher profit?

Mr. Spence was communicated with and he reiterates his original statement. He declares that the British market has been supplied for years from Scandinavian sources. It was the high prices of the latter part of 1920 and early in 1921, due to a temporary shortage in Great Britain, that led to the situation being brought to the attention of the Canadian producers, but negotiations proved practically fruitless and since then prices have fallen to much lower levels.

"The market for feldspar in England is not large, the annual consumption by all trades, including the metalware-enamelling industry, probably not exceeding five thousand tons. This is considered to be an outside figure, and the actual consumption in the last two years is thought to be considerably under this amount.

"It has, I believe, been suggested by a correspondent of THE FINANCIAL POST that the British market consumes annually at least 50,000 tons of feldspar. That this is a misapprehension of the facts is evident from the production statistics of the Scandinavian countries whence Great Britain imports the whole of her feldspar requirements. In 1918, the latest year for which statistics are available, the combined production of feldspar in Norway and Sweden amounted to 21,338 metric tons. The only other European country believed to produce any quantity of feldspar is Bavaria, which produces possibly about 5,000 metric tons annually. In 1918, therefore, there were produced in Europe less than 27,000 metric tons of spar, only a portion of which reached the English market; it is virtually certain that none of the German production was exported into Great Britain from countries outside of Europe. It is evident, therefore, that by no possibility can the English market be consuming the tonnage of spar suggested."

Transportation Problem

Transportation on the Scandinavian spar lays it down in England very cheap. If Canadian spar could be handled as cheaply the trade would no doubt be willing to use it. Thus the Canadian product would have to be laid down at Runcorn at probably not over $13 per long ton. Since the Atlantic freight is now in the neighborhood of $6, this means that the spar would have to be put aboard Montreal or other port for $7 per long ton, a figure which can hardly be approached by any of the inland producers.

It may, perhaps, be added that during the past two years, a number of mineral brokers not connected directly with the feldspar trade, as well as officials of the Imperial Trade Commission, have been actively looking into the feldspar situation, and that the results of these investigations, as communicated to the Mines Branch, correspond closely with those of the writer's own survey.

Keen Competition In The Automobile Field

Automobile production made a new high record in 1922, about 50% ahead of the 1921 output of passenger vehicles, and about 75% in trucks. The truck production was less than in 1919 and 1920, however.

Keen competition, of a nature that will strengthen the well-established companies but may prove a severe test to the weaker ones, is to be expected in 1923 in the automotive industry, it appears from a survey of its members made by the Motor and Accessory Manufacturers' Association, which comprises the chief manufacturers of parts and equipment.

Fred Walls, for eight years district manager of the North American Life at Edmonton, is moving to Hamilton and will have charge of Halton, Wentworth, Lincoln, Haldimand and Welland Counties.

Trade Improvement In United Kingdom

The industrial activity begun in the United Kingdom in November continued throughout December. It is the opinion of many that the year 1923 will bring a revival, unless serious trouble on the Continent develops. Unemployment continues to be the major domestic problem. December marked no material change in the condition of the British money market. Government receipts continued to show a healthy surplus over expenditures. By some it is held that it will be necessary for the government to economize to the amount of twenty to thirty million pounds sterling in order to cope with the problems which unemployment and trade present and to meet with all the services on the internal and external debt. Various communities are campaigning for reduction in taxation. Labor requests lower duty on beer, agricultural interests are seeking a relief rate and lower taxes on land, and industrial interests are demanding lower income taxes.

BETTER MARKET FOR AUTOS IN THE WEST

Increasing Demand is Being Anticipated During the Present Year

Contemporary with the intensive territory analysis being conducted in the United States, the leading motor-vehicle manufacturers operating in the Canadian market are making careful surveys of the western provinces in preparation for their 1923 sales campaigns, according to a report to the U. S. Department of Commerce. Farmers are the best car buyers in Canada, as in the United States, and the western part of the Dominion exceeds the eastern part in the number of motor vehicles per unit of population. Sales in the western provinces during 1922 were smaller than in the preceding year, owing to poor crops in the fall of 1921 and the credit restrictions on the rural dealer; but distributors are confident that 1923 will see an increase in the margin of cars per capita over the eastern provinces. Saskatchewan leads the Dominion, with 1 car to each 12 persons, and is followed by Alberta with 1 to 14 and Manitoba with 1 to 16. Their 1921 registrations of passenger cars and trucks were 61,175 for Saskatchewan, 40,292 for Alberta, and 40,828 for Manitoba, the latter behind Saskatchewan only on account of its larger urban population.

Despite the extensive area of western Canada the territory is well dotted with motor-vehicle dealers. Generally speaking, there is at least one dealer in every town of 300 inhabitants, and nearly every well-known make of vehicle is represented in the larger trading centres. Selling organizations of the higher-priced cars are constantly expanding as circumstances permit farmers to secure cars of a better quality. Sales should show an increase in 1923, as the grain crop is very large, although high freight rates, high taxes, and low prices for cattle are discouraging factors in many sections, coupled with the need for liquidating debts contracted for machinery during the past year.

PRAIRIE MARKETS DEMANDING LUMBER

Orders Reaching British Columbia Mills Earlier Than Had Been Expected

From Our Own Correspondent.

VICTORIA. — Vancouver Island sawmills have received their first lumber orders from the Canadian prairies, indicating an unexpectedly early opening of that market with prospects for unusually active demand in that territory this spring.

Lumber operators here did not expect that orders from the prairies would commence to drift in until next month at the earliest, as the majority of prairie retailers are said to be already tied up to the banks to such an extent that they are reluctant to increase their credit without the prospect of immediate turnover. It was, therefore, felt that the lumber movement to the prairies would not begin until the snow had commenced to vanish from the ground and consumers were ready to undertake their construction programmes.

The fact that the prairie market has shown signs of life so early in the season demonstrates, the lumbermen believe, that the yard operators see a heavy demand ahead and consequently consider it good business to get in their orders well in advance of the rush.

The United States market is still healthy and shipments are going out regularly. The embargo on cars entering the United States over the lines of the Canadian National system has been removed, and the mills situated on the C. N. R., as well as on the C. P. R., are now no longer affected by the shortage of cars.

JOINS MOTOR UNION

From Our Own Correspondent.

MONTREAL.—W. B. Robertson, who has severed his connection with the insurance brokerage firm of G. U. Price, Limited, has been appointed Provincial Superintendent of the Motor Union Insurance Co., and the United British Insurance Co. Mr. Robertson, who is an Associate of the Chartered Insurance Institute of Great Britain, has had valuable experience in insurance business both in the Old Country and since he came to Canada.

PACIFIC ROUTE SAID TO SAVE FARMER MONEY

Twelve To Sixteen Cents A Bushel Is The Estimate

RIVALRY OF PORTS

Sir Henry Thornton Will Have An Interesting Time In Deciding Where Elevators Should Be Built

From Our Own Correspondent.

VICTORIA.—Sir Henry Thornton's visit to the Pacific coast reveals a rapidly growing trade rivalry between the ports of Vancouver, Victoria and Prince Rupert and the business interests of each one of these ports will have a multitude of proposals to submit to him. Each port has experienced the difficulties typical of the growing terminal city, such as switching facilities, new branch lines, storage accommodation and new buildings, but in addition to these a vast movement of comparatively recent origin has developed—the westbound shipment of grain from the prairies to British Columbia ports.

The advantage of shipping west for the export trade to the United Kingdom, continental Europe and the Far East did not exist before the Panama Canal was built, and during the war years the shortage of tonnage made it impossible for that route to be extensively used. Now, however, wheat is rolling to the Pacific seaboard for transhipment in steadily increasing volume.

Rivals of Vancouver

Until recently Vancouver, already in posssession of an elevator, has been the only city actively engaged in a campaign for the expansion of wheat handling facilities, but now it has strong competition. Lumber interests are behind the effort to build up the wheat trade, because the more wheat cars that come to the coast the more cars there will be available to handle eastbound lumber shipments.

Victoria has entered the ranks of contenders for handling the bulk of the export wheat shipments from the Canadian prairies to the sea, and municipal and business organizations are throwing their influence behind the proposed construction of a $350,000 grain elevator.

The fact that Victoria is the first port of call for inbound steamships from the Orient and the United Kingdom, the principal offshore markets for prairie wheat, is regarded as an important item in the city's favor, as speed is one of the vital factors in the grain handling trade.

Advantage to Farmer

The Winnipeg Grain Exchange has ascertained from actual transactions in 1922 that the farmer can get twelve cents per bushel more by shipping his wheat through a Pacific port than by the Fort William and the Great Lakes route. This is on the basis of the present railway rate discrimination against the Pacific Coast whereunder wheat is hauled 1,400 miles eastward for the same rate charged to haul wheat 700 miles westward. When the present discrimination is removed, the permanent advantage to the farmer will, it is said, be about sixteen cents a bushel, and the total gain to the farmers as a result of shipping by the Pacific coast will reach $40,000,000 a year.

Prince Rupert has been working for months on an elevator project, and business interests in that city believe that the government is likely to co-operate with them in this enterprise. The fact that Prince Rupert is the northern terminus of the Canadian National Railway (G. T. P.) and closer to the grain country of Northern Alberta and Saskatchewan than the southern seaports of British Columbia is strongly in that city's favor, as well as the fact that the route between Prince Rupert and the Far East is considerably shorter than the route between Vancouver or Victoria and the Far East.

All the cities bidding for elevator accommodation are preparing exhaustive data with which to convince the C. N. R. head of their respective advantages, and by the time these are sifted out the transportation situation as it affects the various coast terminals should be clarified.

A Big Gain In Auto And Truck Production

In reports of the Department of Commerce of the United States, working in co-operation with the National Automobile Chamber of Commerce, the production of cars in November was shown as more than double that of November, 1921, the figures comparing as 214,631 to 106,042. In the case of trucks November production was also more than double that of the year before, the total being 21,223, as compared with 10,010.

A study of the tables covering the months of July, August, September, October and November in the two years shows that the ordinary sharp decline that usually takes place in the latter part of the year was not in evidence this past year. On the contrary the production of 187,000 cars in September rose 30,000 to the October figures, and there was only a slight drop, less than 2,000, between October and November. In the case of trucks the same situation is shown in a remarkable parallel. September production increased to October and there was a slight decline in November as compared with October.

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MANITOBA FARM CREDITS TO BE ON BUSINESS BASIS

Loans to be Made by "Bank" and Not by Government

TOO MUCH PATERNALISM

Growing Conviction in Western Canada that Economic Laws Cannot be Changed by Acts of Parliament

From Our Own Correspondent.

WINNIPEG.—Although the Manitoba legislature is opening this week, it is probably unreasonable to expect the finance minister, Hon. F. M. Black, to bring down immediately the findings of the two-man commission which enquired into Manitoba's rural credit structure. Nothing specific regarding the commission's decisions has been made public but there is a growing disposition to look for a divorce of the rural credits as a direct department of the government and their wedding with the Provincial Savings Office. Meanwhile the United Farmers of Manitoba in convention at Brandon had before them this week a proposal for long-term farm financing.

If the Provincial Savings Office assumes direct responsibility for the rural credit loans, the government's banking venture should automatically go upon a sounder basis. Under the present system the "bank" loans to the government. In turn, the government hands out the "bank" funds in the form of rural credits. But so far as the "bank" is immediately concerned, the loan remains at all times liquid; the government—the province—is the security. The "bank," under the present system, could pursue its course indefinitely, never concerned over rural credits' maturities. The Rural Credits Department of the government alone would be the agent to shoulder losses sustained through non-payment of loans and interest. The "bank" ostensibly has never experienced a loss and yet the former minister of finance, the Hon. Edward Brown, admitted in the last legislature that the rural credits were not self-supporting.

Now if the proposal to make the connection between the Provincial Savings Office and the rural credit loans direct crystallizes it will "put it up" entirely to the "bank" on a strictly business basis. The Bracken government has already revealed its belief in the wisdom of consolidating departments wherever feasible to reduce overhead charges and thus cut down governmental expenditures.

If the Provincial Savings Bank can continue to pay 4 per cent. interest on deposits and finance rural credits at low rates without any losses and, therefore, without dipping into the public purse from time to time for assistance, then there should be no accusation that the tax-paying general public is actually being called upon to finance a favored creditor class, except insofar as the provincial treasury loses by reason of receiving no taxes from the Provincial Savings Office as it does from the chartered banks and the deposit-collecting trust and mortgage corporations.

Burden on Taxpayers

The farmer organizations are doing a great deal of complaining about high taxes. The United Farmers of Manitoba take the stand that the farmer requires the strictest economy on the part of all his governments, municipal, provincial and federal, and that "expenditures must be cut to the bone." Yet, upon the Hon. Edward Brown's admission, the Rural Credits Department has actually been operating at a loss and thus helping to swell the provincial tax rate—and this without writing off for any actual losses in non-payment of maturities which there seems every reason, in view of general banking experience in the West of recent years, to look for. It is not surprising, then, that the business community of Winnipeg is earnestly looking to the Bracken government to use its pruning knife in this as well as other directions of the government's activities.

While awaiting the Jackman-Collyer findings, now in the government's hands, President Burnell's long-term financing program, put before the United Farmers of Manitoba at their Brandon convention during the week, has excited fresh interest in the problem of agrarian finance in Western Canada. He sums up his proposal as follows: "To establish agriculture, the farmer needs a long-term system of financing the purchase of his farm and equipment at a low rate of interest, similar to that of the manufacturer who builds his plant by the issue of long-term bonds. Hand in hand with this must go a short-term credit system especially adapted to the needs of agriculture and not devised simply along commercial lines."

Too Much Paternalism

President Burnell's financing appears sound as he presents it. If the agricultural industry of the West can be financed on long-term bond issues with actual investment funds, there will be no further need for the provincial governments to dicker with the banking machinery. W. R. Allan, presiding at the 58th annual meeting of the Union Bank of Canada in Winnipeg during the past week, in discussing the situation confronting the country, expressed his conviction that "it would be well if we would cease to imagine that every adverse feature in the working of immutable economic laws can be cured by acts of parliament."

Observers in the business community have misgivings at Mr. Burnell's suggestion when it is linked with the idea of "a low rate of interest." The phrase may sound attractive to the farmer, as a Winnipeg business man pointed out to THE FINANCIAL POST, but he contended that so well-informed a man as the president of the United Farmers of Manitoba should know that the danger in all agrarian financing lies in attempting to legislate an interest rate. Money rates are subject entirely to the "immutable economic laws." Premier Dunning, of Saskatchewan, in Winnipeg for the Sir Henry Thornton banquet, stressed this very fact when he decried the paternalism of provincial governments and indicated that Saskatchewan's course henceforth would be to avoid all paternalistic measures.

FLOUR CONTROL AS FEATURE OF A WHEAT BOARD

Legal Expert of the Grain Growers Thinks It Essential

From Our Own Correspondent.

REGINA.—The inclusion of flour control in the powers of any national wheat board which may be established through the co-operation of Dominion and provincial governments, is practically essential to the success of the board in the opinion of C. E. Gregory, K.C. Mr. Gregory recently returned to the city from Winnipeg, where he has been investigating certain legal aspects of wheat board legislation in behalf of the Saskatchewan Grain Growers' Association.

To some, the question of flour control does not appear important, but to those familiar with the British market, the reverse is obvious. To prove effective in the British market, the Wheat Board must have this power.

"Last year in the Wheat Board proposals, the federal premier had one of the most difficult and delicate situations to deal with which any political leader has been called upon to solve since the war years. The inclusion of the flour control clause, essential to the success of the board, would have aroused the strongest and most concerted opposition in Eastern Canada from the milling interests and others identified with the millers. There was no public sentiment for the board in Eastern Canada as had been the case when the former board had been created. The legislation consequently did not include this important clause—important to the highest degree to the western farmer.

"In my opinion," said Mr. Gregory, "this is the reason why James Stewart did not consider the chairmanship of the board. Did he feel that wheat marketing under a governmental plan, could not be successful without the inclusion of flour control? Many think so."

NON-UNION MINERS ASK RIGHT TO WORK

Interference of the U. M. W. A. Is Being Resented in Alberta

From Our Own Correspondent.

EDMONTON.—The strike in the Edmonton coal mining field has developed into a somewhat knotty situation. The United Mine Workers' Association, which is backing the strikers, declares that it will fight to a finish and that money will be available from the international funds to finance it to the end. Quite as determined an attitude is taken by the operators, who absolutely refuse to recognize the union or to be a party to any negotiation or conciliation. Their reason for this position is that they have no quarrel with their workmen, a majority of whom are willing and anxious to continue at work as before and have petitioned the government accordingly. Under these conditions, the operators decline to deal in any way with the U. M. W. A., whose leaders are thus made to appear as trouble-makers pure and simple.

SUPPLY OF SILVER FROM MELTING POT ABOUT EXHAUSTED

Outlook Is That There Should Be Strong Eastern Demand

Silver production and silver prices seriously concern Canada. The white metal production of the Dominion has again turned upwards. The fact that the U. S. treasury will sometime towards the end of the year complete its purchases of silver at $1, as provided under the Pitman Act, has raised some concern fearing that the world market price might break. Authorities state that there are indications, that by that time, if not at some time before, there will be a material demand for silver from other sources that will more than take care of the supply thus liberated for world trading, i.e., the production of the U. S. Silver statistics now show that the output of white metal from the European melting pot is steadily easing up. This will be an important factor in the future price of silver. If anything the tendency of silver should be upward.

Silver is no different than any other product when placed on the market. The law of supply and demand is a regulator. On next fall China and India will be coming on the market, and their purchases may not only absorb the U. S. production, but an even greater amount.

Dealing with the silver supply from the melting of coins, P. D. Handy, a silver authority, says that it is estimated that between 3 and 5 million ounces less silver were received in the London market from demonetized coin and melted silver plate during 1922 than in 1921, and it is fair to assume that the close of 1923 will show a still greater falling off in these supplies. Furthermore, the reduction in fineness of Great Britain's subsidiary coinage, which added 24 million ounces to the last year's white metal supplies, will in all probability contribute no such surplus during 1923. In fact, by the end of the current year, when American mined silver is once more competing in the open market, it is not unreasonable to assume that new silver instead of reclaimed bullion will be needed, to satisfy the demands of those consumers that have recently been supplied through the medium of the melting pot.

In the months to come, however, silver prices will depend primarily on the Far Eastern demand. India has proved the chief factor in maintaining silver prices during the year just closed, and from present indications a continuance of support during 1923 seems probable. On the other hand, China's foreign trade has been only fair, but some improvement has been shown, and it is generally conceded that the worst of her political and economic troubles have been weathered and any turn in her affairs is now almost certain to be for the better. Nevertheless, the rate at which China's export trade may be expected to continue the partial revival shown during the past year is a matter which the future alone can determine.

Minimum Wage Rate For Women Workers

From Our Own Correspondent.

EDMONTON.—A minimum wage rate for women industrial workers in Alberta has been set by the provincial government, acting on the recommendations of a special board which was appointed some months ago to make a survey of the situation. It has now been ruled that after April 1st next there shall be a minimum wage of $14 per week and a maximum working week of forty-eight hours. The rate under the old Factories Act, which is now superseded, was $9 per week, but there was no uniformity throughout the province. Special classifications are to hold in future for the several industries, allowance being made for the fact that conditions and the periods for learning vary considerably in the different lines of work.

The Financial Post's Service in Business Field—A Typical Example

The service department of THE FINANCIAL POST is not confined to advice to subscribers regarding investments. It is equipped to deal with general business problems which come within this paper's field. Here is a typical instance.

On Wednesday the following telegram was received from Nova Scotia:

Editor, THE FINANCIAL POST,
Toronto.

Kindly advise re liability of Burnall Corporation of Canada, Hamilton, Ontario; also merit of their goods. Would you consider it safe investment to purchase eighteen hundred dollars worth of their goods in order to secure selling rights for..........territory? Rush wire my expense.

Inquiries in the MacLean organization revealed that the Burnall Corporation was not known to any of our many trade and technical newspapers. A long distance telephone call to Hamilton started inquiries there and the night mail brought information as follows:

The Burnall Corporation of Canada is a one man concern, he being Mr. George Tollington of Calgary. His brother, William Tollington, located in Hamilton, is manager. They acquired the rights to manufacture and sell throughout Canada under license a fuel saving device controlled by the Burnall Corporation, North American Building, Chicago. There is no incorporated company, it being merely a one man concern.

The Burnall Corporation of Canada does not manufacture anything. Its fuel saving device is manufactured under contract by a company in St. George, Ont., and shipped direct from St. George to agents or distributors at various points. The agents remit to the Hamilton office and the Hamilton office pays the manufacturer. Territory is allotted to those desiring agency. To acquire any territory it is necessary for the prospective agent to purchase fuel savers to a value fixed by the Hamilton office according to the size of the territory desired.

Within twenty-four hours of the receipt of the wire from Nova Scotia the following telegram was despatched:

Product of Burnall Corporation evidently satisfactory. Canadian company operates under license arrangement with American company but no data as to financial strength. The point for you to consider is salability of a fuel saving device in your territory in relation to fuel costs. Have you a wide local market for a device that entails considerable initial expense for installation.

A letter sent at the same time gave additional information along the lines of the report from Hamilton.

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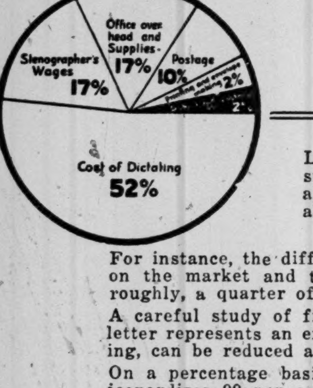

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For instance, the difference between the cheapest bond paper on the market and the best—Superfine Linen Record—is roughly, a quarter of a cent a sheet.

A careful study of figures shows that the average business letter represents an expense of 29 cents, which, by close buying, can be reduced a quarter of one cent.

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BONDS AND MORTGAGES

Provided Field for Investment of New Funds—Lifting of Moratoria Enables Companies to Acquire Land

Further improvement in conditions in the mortgage field, particularly as regards funds available from British sources, is indicated in the annual report of the Canada Permanent Mortgage Corporation. Net profits of $903,019 compared with $896,366 in the previous year and $854,277 for 1920. The dividend appropriation at the rate of 12 per cent. took $840,000 compared with $780,000 in the previous year as the result of the increase in the paid up capital from $6,000,000 to $7,000,000 during 1921. The balance was materially increased as shown by the following comparative figures:

	1922	1921	1920
Net profits ..	$ 903.019	$ 896,366	$ 854,277
Bal. forward.	271,136	154.770	150,493
	$1,174,155	$1,051,136	$1,004,770
Distribution—			
Dividends ..	$ 840,000	$ 780,000	$ 600.000
Reserve	......	......	250,000
Balance	334.155	271,136	154,770
	$1,174,155	$1,051,136	$1,004,770

Earnings on capital were somewhat lower in percentage but indicated a margin above the dividend paid while the reserve fund is equal to the paid up capital:

Year	Earnings	% on cap.	Div.
1922	$903,019	12.90	12
1921	896,366	*13.79	12
1920	854,277	14.23	10
1919	827,983	13.79	10
1918	824,523	13.73	10
1917	852,325	14.20	10
1916	866,126	14.44	10

* $6,000,000 for first six months and $7,000,000 for second six months.

An increase in sterling debentures of about $1,350,000 to $13,893,350 is an outstanding feature of the report and shows that the sources of British capital closed by the war have again been opened. There was also a substantial increase in currency debentures and in deposits, the total liabilities to the public increasing from $24,596,471 to $26,821,452 and total assets from $39,077,608 to $41,365,608. The increased funds were to a large extent invested in British, Canadian and provincial bonds although there was also an increase of over $1,000,000 in mortgage loans. Following are comparative figures from the balance sheet:

	1922	1921	1920
Liabilities			
Deposits ..	$ 7,284,884	$ 6,729,651	$ 6,129.483
Deb. ster. .	13,893,350	12,547,187	9,642.551
Deb. cur. ...	4.791,919	4,468,116	4,553,765
Deb. stock .	841.242	844,037	427,519
Sundries ...	10,055	7,480	7,464
Cap. stock .	7,000,000	7,000,000	6,000.000
Reserve ...	7,000,000	7,000,000	6,000,000
Div. pay. ..	* 210.000	210,000	150,000
Balance ...	334,155	271,136	154,770
Assets			
Mort.	$34,081,900	$32,994.034	$28,064,269
Loans	205,431	264.070	296,623
Bonds & stocks	3,774,591	2,255,399	2.267,344
Real estate .	769,676	579,595	451,333
Offices	762.874	762,874	732,134
Cash	1.744,133	2,221,635	1,253,848

Real estate for sale increased from $579,594 to $796,676, which was no doubt largely accounted for by the adjustment of moratoria legislation in the West, enabling the mortgage companies to take over certain lands which they were previously prevented from doing because these stood in the mortgagors' names. Thus the position of the company is improved rather than otherwise in this connection although the increase in this item might not be so regarded at first glance.

Mining Stock Quotations

Week Ending January 16

	High	Low	Close	Sales
Algonquin . .	8½	7	7½	22,800
Argonaut . . .	50	48	50	2.500
Atlas	13	11¾	12¾	38,500
Baldwin . . .	10	7¼	8½	65,750
Beaver . . .	34	30	31½	24,550
Clifton . . .	27	23	26	262,345
Buckingham .	17½	13½	17½	3,500
Castle Trethewey .	26	25	25½	16,100
Columbus . ..	13½	13¼	13½	5,000
Chaput-Hughes . . .	8½	3½	8¼	23,700
Coniagas . ..	2.00	—	—	20
Cons. Smelters	26	25	25	1,474
Cons. West Dome . . .	27¾	25	26	47.800
Crown Reserve . .	38½	36	37	32,950
Davidson . . .	17	—	—	2,000
Dome Mines .	44.00	43.00	43.25	694
Dom. Kirkland . .	4½	3	3½	114,000
Gold Reef . .	2½	2	2	2,500
Goldale . . .	35	34	34	4,700
Hattie	28½	25½	28	19,100
Hollinger . . .	12.50	12.35	12.40	6.342
Hunton . . .	10½	9½	9½	18,500
Keora	11	9½	10¼	22,500
Kirkland Lake	41	40	40	3,560
La Rose . . .	24½	23	23	3,660
Lake Shore .	8.13	2.87	3.02	14.375
McKinley Darragh . .	20	19	19	7,200
McIntyre . .	18.75	18.00	18.60	5,364
Mining Corp. .	92	—	—	100
Moneta . . .	15½	12¾	14⅞	27,900
Newray . . .	27	26	26¼	23,650
Nipissing . .	6.00	5.75	5.95	1,785
Ophir	2	—	—	1,000
Peterson Lake	8¾	8	8	4,750
Porcupine Crown . . .	19	17	19	23,560
Preston E. Dome . . .	10½	10	10¼	7,600
Schumacher ..	46	45	45	11,000
Teck-Hughes . . .	94	91	91½	97,079
Thompson Krist . . .	3⅞	3	3¾	44.500
Timiskaming .	31¾	30	31¾	5.000
Trethewey . .	4¾	4¼	4¾	3,500
Wakenda . . .	9	8	9	5,750
Waspika . . .	8	7½	8	41,500
West Dome . . .	13	—	—	500
West Tree	11	9¾	11	30,200
Wright-Hargreaves .	3.20	3.08	3.20	250
Vipond Con.	70	66	66½	17,041

News and Views for Investors

Order for 1,000 Cars

The Eastern Car Co., New Glasgow, a subsidiary of the British Empire Steel has been awarded the contract to build 1,000 cars for the Canadian National Railway. It is understood that this will keep the car department of the British Empire Steel Corp. busy until the summer.

Listing "Sea Sled Co."

Application has been made to list the shares of the Sea Sled Co. on the Unlisted department of the Montreal Stock Exchange, and trading is likely to commence in a few days. During the past year a large amount of preliminary work was accomplished and the officers of the company look forward to a good production during the current year and successful operations in their new enterprise.

Clifton Porcupine

Clifton Porcupine during the week sold 250,000 shares of its stock at 30c, some 6 or 7c over the market price. The stock was underwritten in Toronto and the proceeds will be used to carry on underground development. Clifton has been held up in its production by the power situation but intends to occupy the time between now and when power will be in ample supply to open up new levels at depth.

Competition for "Bridge"

The announcement made in this issue of a branch of Charles Walmsley & Co. being established in Canada for the manufacture of pulp and paper machinery and hydro-electric installations constitutes opposition to the Dominion Engineering Works, a subsidiary of Dominion Bridge Co. The latter manufactured the two machines for the Laurentide Co., and also did work for Howard Smith Paper Mills.

Steamships' Decline

There has been some wonder at the weakness of Canada Steamships preferred during the past week when the stock made a four point decline. There were some hints of manipulation. The market records show that there have been 3,623 shares traded in since the first of the year. Selling continued in the face of the recent decline and the consensus of opinion seems to be that someone has been forced to sell a block of the issue on a weak market.

Page-Hersey

The annual statement of Page-Hersey Tubes is expected for the end of the month. It is believed that this year will be marked by a change in the policy of the company and that some of the figures may be made public. Interest has centred in this issue which rose from 50 cents a few months ago to around 77. It is said that the buyers look for an increase in the present dividend. It is stated in well informed circles that the company earned its preferred and common dividends in the first seven months of 1922.

Steel Rumors Again

The old rumors that Steel of Canada will be unable to maintain its 7 per cent. dividend are going the rounds again. Each time this report has appeared around dividend time and has scared some holders of the issue onto the market. They have suffered a loss as a result. That the outlook is not as dark as painted may be seen by the recent remarks of the president, Richard Hobson, who states that the consumption of steel in Canada was the lowest last year that it has been since 1905. In the United States they are facing congestion due to the car shortage. The situation in Canada is much better, although the railways have allowed their rolling stocks to decrease to a dangerous degree. The placing of orders for $10,000,000 in rolling stock for the Canadian National Railways, Mr. Hobson points to as a favorable factor.

Will Montreal Power Pay 6%?

One of the firmest stocks on the market for the past two or three weeks has been that of Montreal Light, Heat & Power Consolidated, which has risen to a point where it gives a yield of less than 4.8 per cent. on a 5 per cent. dividend basis. This is so far below the yield even of the highest class of bonds, that the price of the stock can only be regarded as anticipating the increase in dividends from 5 to 6 per cent., which has been looked for during the past year. At the same price the yield (with 6 per cent. dividend) would be 5.7 per cent.

A meeting of the directors of the company will be called for shortly to make an announcement in regard to the next dividend which is payable on February 15. It is considered as significant that the reduction in the electric lighting rates just announced, has occurred at this time, for in the past, as a rule, it has preceded an increase in dividends of this stock. Montreal "Power" stock has paid 5 per cent. since August 1, 1919, at which time it was increased from the former rate of 4 per cent.

Dominion Textiles' New Stock

The price of Dominion Textile stock continues strong in the face of an uncertain market and at the price of $190 a share really represents a price of about $227 a share as the holders of the old stock were given "rights" that had a market value of $37 or $38 a share, or an equivalent of that amount when used in exchange for new stock at par. It is the general anticipation that when the present stock is split in three on the 22nd of January it will make a popular trading medium on the market. It is understood that the same rate will be paid for the present on the basis of one to three, that is 4 per cent. dividend, and the price of $190 to $192 that is being paid will represent about $63 to $65 after the splitup. The holders of the 10,406 non-cumulative preferred shares have received a letter calling upon them to change their holdings at the Royal Trust Co.'s as soon as possible on or after January 22, and to receive a corresponding number of 7 per cent. cumulative preferred shares. The following notice has been sent out to the holders of the common stock:

"The 225,000 shares of no nominal or par value of Dominion Textile Company Limited, (new company), constituting part of the purchase price of your company's undertaking are now in the possession of the Royal Trust for distribution on and after the 22nd day of January, instant.

"To expedite the completion of the reorganization of the company, you are requested to deposit with the Royal Trust Co. as soon as possible on or after the 22nd day of January, instant, the certificates representing the common shares owned by you in this company, duly endorsed in blank, and you will receive in exchange therefore certificates for common shares of the new company on the basis of three shares for each one of this company's shares so deposited by you."

RAILROAD EARNINGS

Earnings of the Canadian National Railways for the second week of January amounting to $2,143,720 compared with $1,874,215 for the corresponding period in 1922, an increase of $269,504.

A statement of the earnings of the Toronto Terminals of the C.P.R. for the month of December shows an increase in net earnings of $5,823 over the same month last year and a net increase of 1,601 tickets.

UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mtge., 6's, 1948	94¼	95½
Algoma Steel, 5's	..	39
Alta. Pac. Grain, pfd.	86	90
Do., com.	104	110
American Sales Book, 6's..	97¾	..
B. P. & P., 8's, 1941	103½	..
Burns P. 1st, 6's	102½	..
Can. Machinery, pfd.	33	38
Can. Westinghouse	118	..
Cock. P. pfd. 7%	39	42
Coll. Shipbldg., com.	50	57
Davies, Wm. Inc. 1942	..	99
Do., 6's	104¾	..
Durant Motors	12¼	13¼
Dunlop Tire, pfd., 7%	79	82
Do., 6's	96½	..
Eastern Car, 6's	92	95
Eastern Theatres, pfd. ...	65	..
Do., com.	6¼	7¼
Excelsior Life	31	..
F. Play., pfd., 50% com. ..	69	..
Gunns's pfd.	37	..
Goodyear Tire, com.	15	..
Harris Abattoir, 6's	98¼	..
Home B. of C. 7%	..	98½
Inter. Milling, pfd., 7% ..	88	..
Do., 6's	94	..
King Ed. Hotel, 7's	83¾	85
King Ed. Hotel, 7's	88	84¾
Manuf. Life, 20% paid	42	..
Massey Harris	49½	54¼
Mattigami P., deb.	29	33
Milton Pressed Brick	33	..
National Life, $25 paid	50	..
Nia. St. C. & T., 5's	85	..
N. S. Steel, 6% deb	86¼	88¾
R. Simpson, pfd., 6%	88	89½
Spanish River, 8's	103¾	104¾
Sterling Bank	104	107
Sterling Coal, com.	18½	20
Sun Life Assurance	150	..
Toronto Brick	71	..
Toronto Paper, 6's	92	..
Toronto Power, 5's	97½	100
T. & Guarantee, 6%	70	73
Western Assurance	5	6
Western P. Co., 5's	81	83
Whalen Pulp, pfd.	..	21
Do., 7% deb.	57	61
Brit. Amer. Assurance ..	5	7
Can. Explosives, pfd.	91	..
Canadian Oil, com.	62	68
Do., pfd.	..	102
Mutual Oil	12½	12¾
Pressed Metals	31	33

London dispatch says Economist index number of British commodity prices declined 0.9% in December against rise for November of 1.1%.

INVEST YOUR SAVINGS
5½% Interest Return
in a 5½ DEBENTURE of The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

ESTABLISHED 1872

THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

BANK OF HAMILTON
BRANCHES THROUGHOUT CANADA

World-Wide Banking

Do you engage in Foreign Trade? Then this Bank can be of great assistance to you.

Through the co-operation of correspondent Banks in all foreign countries, we are enabled to offer complete facilities for the prompt and accurate transaction of business the world over.

Let us furnish you with particulars regarding any foreign markets you are interested in. 340

IMPERIAL BANK OF CANADA
OVER 200 BRANCHES IN DOMINION OF CANADA.
Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

HIGHEST STANDARD OF THE WORLD

For pipe smokers who prefer straight Virginia there is nothing finer than BRITISH CONSOLS TOBACCO

CANADA LIFE SMASHED ALL PREVIOUS RECORDS IN 1922; REMARKABLE STORY OF PROGRESS RELATED BY MR. H. C. COX

Most Unusual Address Delivered by the President to Capacity Audience at Annual Meeting

Mr. Cox spoke as follows:

The explanation of our meeting in this place, rather than in our own Directors' Room, lies, in the first instance, in the large number present. As three-quarters of a century have passed since the founding of your Company, it was thought the occasion might properly be marked in a special manner and to this end many of your field representatives were invited to join the usual gathering of policyholders and shareholders. Those so invited comprise the two clubs, membership in which is conditional upon the production of certain fixed amounts of new business, and which meet in annual outing at different periods of the year. In addition to these we are glad to welcome our General Manager for Great Britain, together with his four largest producers. While they have come to help us fittingly celebrate this important anniversary, they will all participate in a series of business discussions calculated to be most helpful to those who share in them, and will return to their respective homes with a more intimate knowledge and a higher appreciation of their Company, its methods, and, I venture to hope, of its Executives.

In 1847

In considering the present position of an institution like ours one is apt to lose sight of the romance and imagination surrounding its birth. While Upper and Lower Canada were still in existence, years before the first ocean steamship entered the harbor of Quebec, and more years before the first railway communication between Toronto and Montreal while passengers and mail still travelled by coach, when the entire population of Upper Canada was less than is that of the city in which we now meet, when perhaps only one person in this room was old enough to remember the occurrence, a banker of Hamilton, having learned of the advantages of life assurance, which was then only in its infancy on this continent, although firmly established in Great Britain, conceived the ambition to procure those advantages for himself and his family. To do so it became necessary for him to journey to New York, a distance of five hundred miles, by coach and pack horse, with the delays and discomforts incident to such a venture. During his journey he became imbued with the idea that whatever there was of good in life assurance, and he was convinced there was much, should be made available to his fellow-countrymen at a minimum of cost and inconvenience. Upon his return he gathered a few of his friends together, told them of his experience and of the vision which had come to him, and enlisted their co-operation in founding in 1847 the first Canadian Life Assurance Company, whose seventy-fifth anniversary we celebrate today. As its first President he guided the Company through its necessarily small beginning and slow growth until his death in 1859, but the broad principles he then laid down have survived through all the years which have followed. The romance is increased by the fact that Hugh Baker was only twenty-nine years of age when he launched your Company, and forty-two when he died.

Life Insurance Then and Now

The story of the institution's uninterrupted progress is most interesting.

In the early days the Company did not escape the skepticism and opposition usually aimed at a new departure, but its founders fought on, and one of the means employed to inform the scattered public was a travelling lecturer, whose duty it was to set out clearly and succinctly the theory of life assurance and the benefits it afforded. The general need of education is to-day relatively as great as at that time, but the individual lecturer is superseded by the Daily Press, which carries the Institutional Advertising of twenty-five associated companies, and reaches 1,650,000 readers every two weeks. For some years your own and a very few British and American companies held the field but from 1870 onward there came into existence a steady stream of Canadian companies, while concurrently there entered Canada a larger number of those from Great Britain and the United States, so that to-day ample facilities are available to provide life assurance for all who seek its benefits. With the passing of years the science governing our business has so expanded and developed through the collation of information made possible by the co-operation of the companies that we are increasingly able to offer coverage upon terms to lives formerly considered medically unfit, while there is a quite remarkable broadening of opportunity to adapt the policy of life assurance to the requirements of the Corporation and of the individual. This wider prospect has demanded and has produced a much keener and a highly specialized representative who to-day brings to the service of his client and his company a trained intelligence in which both may place complete confidence.

Valuable Privileges Now Offered

Each year evolves new policy features to meet the new needs created by the constant evolution all about us. Fixed incomes can now be provided for the beneficiary; companies' investment machinery is at the disposal of the assured; the fear of incapacity to produce a livelihood need no longer cause worry, while one may arrange that double the face of his policy shall be payable in the event of his death through accident; inheritance taxes or death duties may be anticipated and provided for by annual payments through the medium of a policy; financial loss through the death of a business partner or executive may be averted, while one's own credit with his banker may be greatly strengthened.

War and Flu Failed to Disturb the Canada Life

The recent years of war and influenza have served to show the financial strength of the Canada Life. No halt was made in its rapid expansion, not a single dollar was cut from its regular scale of dividends to policyholders, and the Company, in accord with its traditional policy, went on investing safely, paying claims promptly, practising economy, and maintaining the principle of equal justice for all.

The close of 75 years of service finds the Canada Life in a position of impregnable strength, and while it is borne upon us that the Company is old, the facts of history all go to prove that it is indeed a deathless old age, and that the institution will stand solid as a rock amid the wreck of private fortunes and the insecurity of other forms of modern business.

The insuring of large numbers of men and women collectively has become common and has a well-defined relation to the problem of labor as it presents itself to various employers, while during the last two or three years a number of companies have undertaken to accept standard lives without medical examination, but for amounts not exceeding two thousand dollars. The information required of the applicant must be very full and accurate, and will, it is felt, protect the companies against adverse selection. Although this is a new departure in Canada, the practice has been followed for many years by some of the prominent British companies, and has been found to be eminently satisfactory. It has already become popular here, and gives every indication of being perfectly safe.

Conserving Business

While all these factors make for increase in the selling of life assurance, we must always bear in mind that true progress is measured not so much by the initial sales as by the amount that remains sold. In other words, it is the continuing policy which is of value to the insured and the insurer. With the rapid and frequent fluctuations in the markets for labor, for commodities and for securities there is a constant and pressing temptation, in the effort to make reduced incomes meet increased demands, to curtail along the line of least resistance, and unless one has a thorough understanding and appreciation of his life assurance and the relation it bears to his entire economy, the line will, with unfortunate frequency, point in its direction. To anticipate this situation which arises at some time or other in the experience of every assured requires no imagination, but to provide against it and combat it is taxing our ingenuity. Time was when these cancellations were taken as a matter of course, and not much attention was given them. Later, when the waste became more fully appreciated, effort was directed to the reinstatement of the policy. More recently realizing that "an ounce of prevention is better than a pound of cure," many companies have undertaken a course of intensive instruction which begins with the issue of the policy, and is intended to compliment the assured upon the judgment which led to its purchase, to impress firmly upon him its value for the purpose in mind, and to so inform him of the urgent necessity and desirability of keeping it inviolate, that no pressure, however acute, will be allowed to force him to accept the immediate loss and the ultimate regret which its cancellation would undoubtedly entail. The loss to policyholders each year, much of which is avoidable, through lapsed policies is so very serious that I venture to stress the matter here in the hope that what is said may augment in some measure the very earnest endeavor now being made by our own and other companies to stimulate by this process of continuous friendly advice and suggestion the original desire of which the policy is the logical outcome.

Conditions in West Unusual

The general conditions under which life assurance companies have functioned during the past year have shown wide variations. In the Western provinces our operations have been handicapped by the loss of crops in some districts, and by the somewhat disappointing returns realized by the individual in others, although the average price of wheat and the total value of all field crops are both higher than a year ago. The natural buoyancy and optimism of the prairie farmer will carry him through much, but it does seem that for the last five or six months his hopefulness has not extended to life assurance. This depression can be only temporary as it is scarcely possible that there can continue for long a cost of production so high in relation to the available price at market. As a matter of course and of necessity those who are building up that great grain-growing and stock-raising country are large borrowers, sustained by their courage in the past and by their conviction for the future.

Many find themselves for the moment overburdened, but the loaning companies, for the most part, are treating them with that courtesy and consideration which the unusual situation demands, and which their business record deserves. Confidence is the great essential to-day—confidence in ourselves, in each other, and in our destiny. Canada is meant to go forward, and will go forward. Those who produce, or who help the producer, will have an enviable share in that great development which, though sometimes delayed, can never be wholly retarded.

Loan Companies Aid Development

There is a strong tendency among Provincial Governments, through misapprehension or misinformation, if you will, to provide what they are pleased to term protection for their constituents against what is erroneously believed to be the machinations of the loaning companies. This, of course, means hampering legislation, which will penalize 99% of the loan companies who treat their borrowers most fairly and reasonably in order to reach the 1% who may, to some extent, do otherwise. Surely this 1% can be disciplined without disturbing all the others, who are providing a most excellent and necessary service to the provinces, but who may not always be ready to continue that service if the conditions under which it is to be rendered are made too onerous. Borrowing for the purpose of creating wealth is legitimate and essential to the progress of any country and to that of Canada in particular. The great institutions whose business it is in their ordinary operations to gather together large sums of capital, seek in turn for that capital safe investment, which will assist productive enterprise. Funds for the development of our provinces and for the progress of their peoples presently come from these institutions, who look for only a reasonable return upon them, and any legislation tending to interfere with their ready flow in the channels where they are most needed would seriously and unnecessarily retard a growth to which we all look forward most hopefully.

The removal by Great Britain of the cattle embargo, which has for so long been a thorn in the flesh of our cattle breeders, will eventually result in a revival in this industry, although its effect may not be very obvious for some time. Meanwhile, the sentimental value of the step is important. When the full force of the change asserts itself, however, we may look for greatly enlarged herds, and our ample supply of fattening grains, combined with our climate, will give us an advantage over other cattle-raising countries.

Immigration Necessary

Those of you, and there are many, who have travelled through those prodigious stretches beyond the Great Lakes cannot but have been impressed by the almost pitifully small number of people who are struggling with the great problem of the prairies. More people on these lands is the great need. The enterprise of private corporations is helping to supply it, while that great colonizer, the Salvation Army, is, with Government aid, also stepping into the breach. It has been said that we lose each year by emigration more people than we gain by immigration, and that our increase in population is therefore only that of nature, less this difference. It would seem that the policy of conservation might here be well applied and that "What we have we'll hold," would be an appropriate slogan. Shall we not assure the Government of the day that a strong and comprehensive policy of immigration and consideration for the settlers already here, even though it entail a material expenditure, will commend itself to all who have at heart the advancement of their country. Encouragement should be and is being given first to those of British origin, and while that, for various reasons, should extend at the moment more particularly to those qualified and willing to go on the land, the gradual improvement now to be seen in general trade conditions, with a pleasing and promising decrease in unemployment, will ultimately warrant the admission of a reasonable number of otherwise skilled workmen.

1922 a Remarkable Year

In commemoration of the Company's seventy-fifth year of operation, our objective for 1922 was set at seventy-five million dollars of new business, and I am happy to say that this has not only been attained, but has been exceeded by nearly three millions. It was felt that we asked much of our associates in the field when this figure was named, but they undertook the task with the spirit of 1847, and never once slackened their effort until it had been accomplished in fullest measure. To those who are here, and through them to the army of those whom we cannot, unfortunately, have with us, we acknowledge our obligation, which is deep, because we realize to the full the difficult and disturbing elements which surrounded their labor. While over 20,000 new policies have been issued during the year, many of our old members have been unable to withstand the stress of circumstances, and have found it necessary to withdraw. In spite of these terminations, however, together with those due to death and other maturities, we are able to report an increase of $40,891,087 in our total assurances, bringing them up to $360,981,195.

Our death losses have again been unusually favorable, and the saving from this source as between the actual losses and those for which provision was made, is again the largest in our experience. Add to this the other earnings which go to make up the surplus for the year and we have the intensely gratifying sum of $2,694,664, which is again the largest amount earned in any year in the Company's history. Last year we were able to increase somewhat the bonuses on certain classes of policy, and these will now be further increased. You will remember that throughout the war years and the unhappy period succeeding them this Company maintained its bonuses to policyholders upon the pre-war basis, and the improvement now announced is in addition to that satisfactory scale. Your Directors take great pleasure in reporting this uncommon result in a year in which they have so materially increased the new assurances and added to your agency organization.

Extending Operations

Our forces in territory already occupied have been strengthened and enlarged whenever opportunity offered, while it has been thought desirable to extend our operations in the United States to include Alabama, North and South Carolina, Georgia and Florida in the east, and California in the West. The last named will complete a line of agencies on the Pacific Coast from the Mexican border to Prince Rupert, of which some are already successfully active, and all will, before long, be valuable producers.

Our experience in Great Britain has been most happy and is full of promise. Despite the widespread depression and varying disturbances of the year, with a general election as climax, our associates there have just completed a new high record for our twenty years of effort in that country. While congratulating ourselves upon the personal or Company aspect of their success, may we not also feel that it does much to strengthen the bonds of empire and to further that mutual confidence and respect which are such a conspicuous and important link in our imperial relation?

Investments Carefully Selected

In 1859 Mr. A. G. Ramsay came from Edinburgh to assume the management of your Company. One of his earliest declarations of policy was that "the Company will seek always to obtain perfect and ample security when investing its funds, and will not be tempted by high rates of interest upon doubtful investments." For forty years he was guided by this determination, and it has continued to be the motto of his successors. To this unswerving adherence to a sound principle we owe the unequalled condition of our invested funds today, but while acquiring this high quality of security your Directors have not been forced to undue sacrifice in the matter of interest return, as is evidenced by the average rate of 6.26% just reported for the year. The yield rate obtainable upon desirable bonds has been lessening as the market for them stiffened, but we have been able to secure a goodly amount upon an attractive basis. As you know, we are particularly well equipped in our mortgage loan department, and our managers have again been able to select a very satisfactory amount of this business from the large volume offered. It is to be expected that in such a year there will be amongst borrowers numbering more than 11,000 some who will become delinquent, but our arrearages are not heavy, and in any such cases our margin of security is ample.

We have continued to invest in Great Britain the funds arising from our business there, but if the recent improvement in the exchange situation persists we shall, before long, be able to transfer them to Canada, should that appear desirable.

A most conservative basis has been adopted in the valuation of your assets. The Government requires that these shall be included at a price not higher than the market value on December 31st of the year to which the Annual Statement applies. To comply with this ruling it has sometimes been necessary to reduce the values of the individual securities in our books, but it is the policy of your Directors not to take advantage of a subsequent rise in the market to write them up again. Consequently a number of your holdings appear at much below their present worth, the difference constituting a very comfortable investment reserve in addition to which we have the special Contingent Fund of $500,000, which you set up during the stress of recent years to meet any unforeseen contingency.

It is the function of a life assurance company to care for its members, but it in turn requires their care and interest to aid its progress, and merits them in proportion to the type of service it renders. We believe that this institution has faithfully discharged its obligation to you, the policyholders and shareholders, whose property it is, and with all confidence we ask for your support and co-operation in promoting its further success.

The effort, continuous and persistent, though sometimes discouraged, of all branches of the service has accomplished the result disclosed by the statement submitted, and your Directors desire to acknowledge their obligation and to express their cordial appreciation of it.

May I once more offer my respectful thanks to the Directors, to the Board in Great Britain, and to every member of the official and clerical staff in the Home Office and in the Field for the kindly and generous support with which they have again honored me.

BRITISH BUYING ON LOCAL MARKET PROVES A FEATURE

Proves a Bright Spot in Trading of Week

LIST IS QUIET

Brokers Point Out That Local Worry Over European Situation Not Shared In England

During the past week the Canadian markets have faced an interesting situation. Local buying has been quiet, due to nervousness over the European situation. Canadian buyers have been standing by awaiting the outcome of France's action. In the meantime there has been considerable buying on the market and practically all this comes from British and Belgian purchasers. Several issues have been purchased heavily during the week for European account, the three notables being Barcelona, Brazilian and Mexican Electric. Several other securities figure in a smaller way in the buying.

The Canadian markets are nervous over the European situation and New York is perhaps more so, brokers declare. There has been a certain firmness to the market in Toronto while Montreal reports are that there was a certain weakness when the trading volume showed a tendency to increase. However, an analysis of the trading since France made her entry into the German coal area shows that the gains and losses on the Montreal market were equal, 28 gains and 28 losses.

It is also noted that while the volume of buying on strictly investment account is not as heavy as that immediately following the turn of the year, there is still a steady demand for bank stocks. Elsewhere will be found an article dealing with the advance recorded by the leading issues of this group and the volume of trading. There is seemingly considerable funds yet to be absorbed in the opinion of the Street.

The traction and utilities issues have been in fair demand. The paper issues have been holding fairly firm. Industrials have been neglected with the exception of a couple of issues which were stronger in tone. The tendency of the milling shares has been to react slightly after the recent increases.

The mining market has been quite active. There has been a reaction and a tendency to weakness in a number of issues following the recent rise and the gold list is lower than when the week opened. Several of the leaders launched the week with a material rise and carried many of the smaller issues up with them. The volume of business greatly increased. Since then, however, brokers say that profit taking has undermined the advance and caused a dropping back, many issues reaching the old low level.

Little or no attention has been paid to the oil shares. Bond prices have continued firm with the tendency upward although the volume of trade has fallen off somewhat. This is in marked contrast to the New York bond situation where there has been a decline, advices say, of from one to two points in most securities.

Brokers generally consider the quiet market will continue until buyers come to realize that they are the only ones that are worrying over the European situation. It is pointed out that the fact that European buyers were entering our market was an evidence that the fears on this side of the water are hardly justified. No break in prices is expected. Generally the street is not much concerned with the action of France as it effects these countries individually. Rather are they concerned with the fact that the action of France will only tend to prolong the situation between Germany and the Allies. They claim that it is setting back the return of prosperity to the world.

HAVANA ELECTRIC

The operating income of Havana Electric for November decreased by $49,805 from the same month a year previous to $1,092,363. Operating expenses decreased by $67,297, however, bringing income up from $487,253 to $502,986. The balance after sinking fund requirements was $478,036, compared to $465,075. For the first eleven months of 1922 the operating income was $11,780,735 compared to $11,734,928; income was $5,150,710, compared to $4,098,960, and balance of income $4,892,531, compared to $3,865,350.

During 1922—

The Canada Life Assurance Company

(Established in 1847)

Made the following substantial progress:

		Increase
Total Insurance in Force increased to..	$360,981,000	$40,891,000
Total Assets increased to..............	86,654,000	6,556,000
Reserves for Protection of Policyholders	74,016,000	5,426,000
New Assurances issued in 1922........	77,407,000	6,438,000
New Assurances paid for in 1922.......	64,520,000	2,457,000
Surplus earned in 1922	2,694,000	94,000
Total Income for 1922	17,990,000	2,451,000
Dividends to Policyholders in 1922......	1,817,000	304,000
Total Payments to Policyholders in 1922	7,767,000	1,182,000

Above, in brief, are the results for 1922, as shown by the Financial Statement.

Below are some of the noteworthy achievements of the year.

1. Dividends on most classes of policies have been increased.
2. Made the largest surplus earnings in the history of the Company, extending over seventy-five years.
3. Further increased the average interest earnings to 6.26%.
4. Continued to improve service to public by special educational training of field force, more representatives having benefit of this instruction than in previous years.
5. Placed more insurance with present Policyholders than in any other year, and increased public interest in Monthly Income, Business, Estates and Group Insurance.

(A Complete Annual Statement Will Be Mailed Upon Request.)

CANADA LIFE'S SURPLUS UP TO NEW HIGH LEVEL

Company's 75th Year Was Biggest In Its History

The surplus of the Canada Life for 1922 totals $2,694,664, the largest amount in any year in the company's history, President Cox told the annual meeting, terming the result of the year's effort "intensely gratifying." The gross surplus, $8,058,175. The president said that the death losses were unusually favorable and the saving from the source as between the actual losses and the estimate as struck for the year, was the largest in the company's experience. The 1921 surplus was $2,600,000.

The annual report also reveals the fact that the company set as its goal for new business for the 75th year, $75,000,000. This high objective was achieved and more, the business being written totalling $77,400,000. However, the Sun Life in common with other companies has suffered from lapses as the president pointed out, with the result that the net increase in business was $40,891,087 giving the company a total of $360,981,195 of insurance in force. The amount of new business written in 1921 was $7,900,000 leaving the amount of insurance in force at the beginning of 1921 of $320,090,000.

The total assets of the company now stand at $86,654,479, an increase of $6,556,000 over 1921.

In commenting on the 1923 outlook Pres. Cox stated that dividends increased on a certain class of policy in 1922 would be further increased in 1923. Throughout the war and flu epidemic the company's dividends to policy holders were unchanged. The increases are additions to that rate.

The interest earnings of the company's investments for the year averaged 6.26, which also brought some favorable comment from the president.

INCREASED DEPOSITS FOR CENTRAL CANADA

This Account Expanded Over $600,000—Profits for Year Practically Unchanged

Net profits of the Central Canada Loan and Savings Company at $199,177 for 1922, remained practically unchanged. Out of this amount dividends at the rate of ten per cent. took $175,000 and the balance was carried forward increasing the surplus of profit from $303,333 to $327,510 as shown in the following summary:

	1922	1921	1920
Profits	$210,274	$211,921	$212,348
Taxes	7,905	8,673	......
Patriotic	3,192	3,385	5,581
	$11,097	$12,058	$5,581
Net profits	$199,177	$199,863	$206,767
Bal. forward	128,333	103,470	124,203
	$327,510	$303,333	$330,970
Distribution—			
Dividends	$175,000	$175,000	$227,500
Balance	152,510	128,333	103,470
	$327,510	$303,333	$330,970

Earnings on capital and on investment were unchanged from the previous year. Following is a summary of profits for seven years:

Year	Paid-up Capital	Net Profits	Div.	%Profits Av.Cap.	Earn Rate
1922	$1,750,000	$199,177	10	11.4	5.5
1921	1,750,000	199,863	10	11.4	5.5
1920	1,750,000	206,767	10+3	12.1	5.7
1919	1,750,000	207,129	10	12.1	5.8
1918	1,750,000	193,211	10	11.4	5.4
1917	1,750,000	191,810	10	11.2	5.2
1916	1,750,000	208,811	10	12.2	5.9

An interesting feature of the statement is the large growth in deposits for the year shown, not only in amount but in the actual number of new accounts. The deposits total $2,254,203, as against $1,653,704, an increase of over $600,000, which is the largest in the company's history. There is a reflection, of course, in the amount of the total assets, which at $7,791,579 are up $472,000. Debentures are slightly reduced at $1,841,117, as against $1,993,403. Assets total $7,791,579. Mortgages are down from $1,341,626 to $1,247,668. Loans on bonds and stocks total $1,422,151, as against $930,469. Bonds and stocks owned are valued at $4,512,061 as compared with $4,427,648. Cash on hand is slightly lower at $312,942. The reserve fund at $1,750,000 is equal to the paid-up capital of the company.

IRON ORE CONSUMPTION

The iron ore production of the Lake Superior district for 1922, 42,613,134 tons, has doubled since 1900 and is 20 times greater than 1860. Canadians are interested as most of Canada's iron ore comes from this field. The rapid exhaustion o fthe available exportable supply brings Canada face to face with the necessity of developing her own ore bodies.

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction Company for the first week of January amounted to $36,409 as compared with $33,806 for the corresponding period in 1921, an increase of $2,603 or 7.7 per cent. Earnings for the year 1922 amounted to $1,742,293, against $1,758,511 for 1921, a decrease of $16,218.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
Hollinger	Jan.29	1	Jan.12
Brazilian, com.	Mar. 1	1	Jan.31
Sterling Bank	Feb.15	2	Jan.15
Prod. & Refin., com.	Mar.15	1	Mar. 1
Do.,	Feb. 5	1¾	Jan.23
Montreal Trams	Feb. 1	2½	Jan.19
Standard Bank	Feb. 1	3½	Jan.17
Imperial Bank	Feb. 1	3	Jan.17
Kaministiquia	Feb.15	2	Jan.31
Russell Motor, pfd.	Feb. 1	1¾	Jan.15
Can. Converters	Feb.15	1¾	Jan.31
Inter. Nickel, pfd.	Feb. 1	1½	Jan.18

UNION BANK OF CANADA
58th ANNUAL MEETING

The Fifty-eighth Annual Meeting of the Shareholders of the Union Bank of Canada was held at the Head Office in Winnipeg at 12 o'clock on Thursday, January 11th, 1923.

There was a large and representative attendance. W. R. Allan, President, presided.

Directors' Report

The Chairman read the Annual Report for the Directors as follows:—

The Directors have pleasure in presenting their report, showing the result of the business of the Bank for the year ended November 30th, 1922.

During the year four branches and agencies were opened, and twelve were closed, as follows:—

Offices Opened

Province of Quebec—1, Montreal, Sherbrooke St. W. and Hampton Ave.

Province of Ontario—1, Hamilton, King St. E. and Spadina Ave.

Province of Alberta—2, Edmonton, Alberta Ave. and 95th Street, and Waterways.

Offices Closed

Province of Ontario—2, Charlton and Toronto, Dawes and Danforth Ave.

Province of Saskatchewan—7, Coleville, Drake, Herbert, Hughton, LaPorte, Mantario and Netherhill.

Province of Alberta — 2, Calgary Stockyards and Edmonton Stockyards.

North West Territories—1, Fort Smith.

The number of branches and agencies in operation at the close of business on November 30th, 1922, was 364.

The number of staff employed at the close of business on November 30th, 1922, was 2,068.

The usual inspection of all branches and agencies has been made.

The vacancy on the Board caused by the resignation of Sir John W. Carson, C.B., whose subsequent death the Directors record with regret, was filled by the appointment of Mr. J. B. Waddell, Montreal.

W. R. ALLAN, President.

Profit and Loss Account

Balance at credit of account, 30th November, 1921	$ 541,686.43	
Net profits for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to	1,131,060.10	
	$1,672,746.53	
Which has been applied as follows:—		
Dividend No. 140, 2½ per cent., paid 1st March, 1922	200,000.00	
Dividend No. 141, 2½ per cent., paid 1st June, 1922	200,000.00	
Dividend No. 142 2½ per cent., paid 1st September, 1922	200,000.00	
Dividend No. 143, 2½ per cent., payable 1st December, 1922	200,000.00	
Contribution to Officers' Pension Fund	10,000.00	
Reserved for Contingencies	300,000.00	
War Tax on Bank Note Circulation to 30th November, 1922	79,570.98	
Balance of Profits carried forward	483,175.55	
	$1,672,746.53	

58th Annual Statement of Liabilities and Assets
As of 30th November, 1922

ASSETS

Gold and Silver Coin	$ 1,109,478.21	
Dominion Government Notes	11,893,616.00	
		$ 13,003,094.21
Deposit with the Minister of Finance for the purposes of the Circulation Fund		395,000.00
Deposit in the Central Gold Reserves		2,800,000.00
Notes of other Banks		1,256,573.00
Chèques on other Banks		8,159,950.87
Balances due by other Banks in Canada		90,964.51
Balances due by Banks and Banking Correspondents elsewhere than in Canada		3,840,916.77
Dominion and Provincial Government Securities not exceeding market value		14,815,487.90
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities, other than Canadian		6,700,350.75
Railway and other Bonds, Debentures and Stocks not exceeding market value		2,249,844.44
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks		3,281,149.84
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada		2,787,823.71
Demand Loans in Canada secured by grain		7,632,876.54
		$ 67,014,032.54
Loans to Government and Municipalities		$ 8,059,913.31
Other Current Loans and Discounts in Canada (less rebate of interest)		57,756,231.84
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		6,809,340.70
Real Estate other than Bank Premises		210,714.10
Mortgages on Real Estate sold by Bank		385,426.22
Overdue Debts, estimated loss provided for		262,303.79
Bank Premises, at not more than cost, less amounts written off		2,387,022.46
Liabilities of customers under Letters of Credit, as per contra		3,236,804.47
Other Assets not included in the foregoing		96,695.37
		$143,218,484.80

W. R. ALLAN, PRESIDENT.

LIABILITIES

Capital Stock		$ 8,000,000.00
Rest Account	$ 6,000,000.00	
Balance of Profit and Loss Account carried forward	483,175.55	
	6,483,175.55	
Unclaimed Dividends	15,799.68	
Dividend No. 143, payable 1st December, 1922	200,000.00	
		6,698,975.23
		14,698,975.23
Notes of the Bank in Circulation	9,727,649.00	
Deposits not bearing interest	30,818,088.99	
Deposits bearing interest	77,431,787.35	
Balances due other Banks in Canada	662,243.10	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	6,633,544.23	
		125,273,312.67
Acceptances under Letters of Credit		3,236,804.47
Liabilities not included in the foregoing		9,392.43
		$143,218,484.80

H. B. SHAW, General Manager.

AUDITORS' REPORT

In accordance with the provisions of sub sections 19 and 20 of section 56 of the Bank Act. 1913, we report to the shareholders as follows:

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash, and verified the securities representing the investments of the Bank at its Chief Office and principal Branches at a date other than that of the verification of the Chief Office on the 30th November, 1922, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, E. S. READ, Auditors of the firm of GEORGE A. TOUCHE & CO.,

Winnipeg, 20th December, 1922.

President's Address

To the Shareholders of the Union Bank of Canada:

Since the Annual Meeting in 1922 we have to mourn the death of Sir John Carson, C.B., for many years a Director of this Bank and one who rendered it valuable service at all times. Sir John Carson served his country well during the period of the war and his early death was no doubt hastened by the strain and heavy work imposed upon him then. We shall miss him greatly.

Mr. J. B. Waddell, of Montreal, was elected to fill the vacancy on the Board. He spent several years of his life in the service of this Bank and is now associated with many of the leading commercial enterprises in Canada's financial centre, and we hope to have the benefit of his sound business judgment for many years to come.

The financial year of the Bank, which closed on November 30th last, was filled with difficulties as was its predecessor 1921, and your Directors are, therefore, pleased to be able to present to you as satisfactory a statement as that which is now in your hands. Profits have naturally been somewhat less than the previous year. This has been caused by general depression in trade resulting in noticeable shrinkage in the average capital employed by the Bank. Our liquid position has been well maintained and the statement shows the Bank in a sound and strong condition.

In the absence of the Vice-President and General Manager, Mr. H. B. Shaw, who is abroad and who was unable to return in time for this meeting, the usual explanation of the figures will be given to you by Mr. J. W. Hamilton, Assistant General Manager.

Foreign Trade

Canada's foreign trade shows a slight decrease for the twelve months ending October, 1922, but it is satisfactory to notice that the balance in our favor is somewhat larger than the previous year and that the volume with Great Britain has grown.

Conditions in Europe while in some respects showing improvement during the past year, are still disorganized and unsettled, and there can be no permanent improvement in international trade until these conditions have been remedied. The rise in the value of the Pound Sterling has been a marked feature and is a tribute to the wisdom and soundness of British financial policy. It is earnestly to be hoped that the British Financial Mission to Washington may result in the settlement between the two countries of all outstanding financial questions in a manner satisfactory to both, and should such a consummation be achieved it will be to the great benefit of the world at large. The economic and political conditions in other European countries still give cause for anxiety, both in Western Europe and in the Near East, and the solution of the difficulties there presented has a direct bearing on future business conditions in Canada.

Canadian Dollar at Par in United States

Another very gratifying fact to Canadians is the recovery of the Canadian dollar. In January of 1922 the Canadian dollar was at a discount of something over seven per cent. but during the year it not only entirely recovered the discount but went to a slight premium. To-day, due to temporary conditions, the dollar is again at a discount of approximately one per cent. It is often asked to what this recovery is due. We think the following contributed to it—a decrease in the volume of goods imported from the United States and the sale of approximately two hundred million dollars of Canadian securities in the United States during the year, coupled with the confidence in Canada's ability to pay its debts and the soundness of its financial condition.

Farming Industry

We, in Canada, have been blessed with one of the best and largest crops in our history, the total value of field products being estimated at $984,000,000 and the very considerable amount of money already realized therefrom has made itself felt in renewed and strengthened confidence throughout the Dominion. It seems to me that there is a splendid opportunity at the present time for young men to establish themselves in farming on a sound basis in the western provinces, as, while Agriculture throughout the world has been passing through a period of acute depression, it can only be a question of time until there will be an abundant recovery.

Conditions in Eastern Canada

Conditions in Eastern Canada on the whole have been very satisfactory. Ontario has enjoyed all-round crops well above the average. In manufacturing, however, the year has been somewhat disappointing, but there are now definite signs of improvement.

In Quebec conditions are excellent. Hay and cereal crops have been above the average and the volume of dairy products well maintained.

Conditions in the Maritime Provinces appear to be good. In the fishing industry, which is one of the important ones of the Province, the catch during the past year was large and prices fair. Crops—cereal, root and fruit, with the exception of potatoes—have been large. Although the apple crop was slightly less than last year the quality is said to be better.

The amount of grain moved from Manitoba, Saskatchewan and Alberta, to the head of the lakes before the close of navigation in 1922, exceeded by a very large amount the record of any previous year, and great credit is due to the Transportation Companies for the efficient handling of so large a volume of traffic. Shipments of grain from the prairies through the Port of Vancouver have also exceeded all previous records and it is evident that this traffic will further increase as time goes on with accruing benefits to the City of Vancouver.

Prices realized by the farmers for their products have not been such as, generally speaking, to leave much margin of profit, a condition which must be remedied if Canada is to prosper as she should. Many suggestions are being made as to ways and means of accomplishing this, and bearing in mind that prices of agricultural products generally, and of wheat in particular, are regulated by World conditions, and that we have many keen competitors in the World's markets, it would seem that measures looking to decreasing costs of production and marketing merit the unremitting attention of all concerned.

Livestock

The Livestock Industry has been in a depressed and unsatisfactory condition, and with the largely prohibitive tariff set up by the United States, no market for our exportable surplus can be looked for in that country for some time to come. The British embargo has been lifted, and it would seem reasonable to hope that this will bring about a better condition for those engaged in this important branch of business.

Lumber

The Lumber Industry has given signs of increased activity and prices have advanced to a point where reasonable profits are being made, and prospects for future business are encouraging. British Columbia and the Maritime Provinces should materially benefit by this condition.

Pulp and paper business, constituting a large and growing branch of our export trade, gives promise of still better things. All signs point to more satisfactory results in 1923 than for some time past.

Mines and Fisheries

The preliminary estimate fixes total value of mineral production, 1922, at $180,622,000, an increase of $6,000,000 over 1921. The value of metals produced alone was $61,731,000 in 1922 compared with $49,343,000 in 1921.

The estimated production of Canadian Fisheries for 1922 will aggregate $42,000,000.

I would speciallv direct attention to the production of electrical power which is taking place in many parts of Canada through the development of our spendid water powers, particularly in the Provinces of Quebec, Ontario and Manitoba. This movement is full of great possibilities for the further development of manufacturing industries in this country.

Bank Act

It is contemplated that at the approaching session of parliament, the decennial revision of the Bank Act will take place. There is in Canada a wise and wholesome respect for property investment, and one can be certain that any reforms will be in the nature of stability and safety of bank institutions. Such steps will, of course—as long as coupled with reasonable freedom of action in commercial exigencies—be entirely acceptable to the Banks. It is hoped that there will also be serious deliberation accorded to the further encouragement of banking provision for production in the case of all natural products, but it is felt that there is room for improvement in this direction. In particular it is necessary that bankers' advances for direct use in production of any kind should be securely guarded and made certain of return out of the matured or finished article. It is felt that there are possibilities of difficulty or conflict owing to uncertainty of the dividing line between banking jurisdiction and that affecting property and civil rights. For the encouragement of financial provision for the most extensive production such uncertainties should, if possible, be removed. The revision of the Bank Act will, in addition to these matters, undoubtedly be a means by which the public of Canada will learn of the fundamental contribution of the Banks to the economic growth and stability of the Dominion. It will no doubt become evident that the custody and intelligent use of funds and credit are matters involving great care and responsibility. It is hoped that it will be learned that it is impossible for the Banks to discharge these obligations, and at the same time comply with every mere clamor for the extension of credit, especially where certainty of return is not present. It must in the light of all the facts be recognized that the Banks have gone the full length in reasonably providing the means for production and assisting the producing class.

Soldiers' Memorial

My predecessor, Mr. Galt, in his address last year outlined to you the plan adopted by your directors, and which you confirmed at the last annual meeting, for setting up a memorial to perpetuate the memorv of those officers of the bank who gave up their lives in the Great War, and it was my great privilege on July 11 last to present, on your behalf, to the Lakeside Fresh Air Camp the deed to the property at McElheran on Lake Winnipeg. The result of the operation of this camp to date has been most satisfactory and has been of inestimable benefit to a large number of poor children in Winnipeg. The memorial stone erected by the bank was, on the same occasion, unveiled by his honor, the lieutenant-governor of Manitoba in the presence of a large gathering of those interested in this philanthropic enterprise, amongst whom were many shareholders of the bank. To our vice-president and general manager, Mr. H. B. Shaw, is due great credit for the establishment of this camp and the suggestion of our memorial and the manner in which everything connected therewith has been carried out.

Advisory Committees

Our advisory committees in London, New York and Vancouver have continued to devote much time and energy to the Bank's affairs, for which we desire to tender them our most sincere thanks.

In conclusion, the inflation and speculation of the immediate post-war period brought dire consequences in their train, culminating in the crises of 1920 and 1921, a crisis world-wide in its ramifications and without parallel. We, as a nation and as individuals, will do well to take its lessons to heart. Some of the problems and difficulties with which we are faced arise from causes beyond our control. Many, if not most of them, are of our own making. If we are to reap the benefits which the promise of the future holds out to us, we must, to a greater extent than has been our habit in the past, cultivate the virtues of economy and thrift. Governments and individuals must, for some time yet, curtail expenditures to a minimum consistent with efficiency in the public service and a decent standard of living for the individual. It would be well if we would cease to imagine that every adverse feature in the working of immutable economic laws can be cured by acts of parliament. It is a common-place to say that Canada's greatest need is population. This crying need will be more quickly filled by the knowledge of a prosperous and contented agricultural community than by any other means. Thrift, economy, stability and work will produce such more rapidly than social and economic experiments of a doubtful nature.

During the somewhat trying times through which we have been passing, it has been your directors' policy, while conserving the interests of the shareholders of the bank, to give adequate service to its customers throughout Canada, and we are able to feel that this institution has fully performed its share in the commercial and financial life of the country. Consideration [illegible]ance have been shown to many who, through misfortune, have been unable to fully meet their obligations, because we have entire confidence in the resources of our country and the characteristics of our people.

This bank has a fine plant for the conduct of its affairs, a loyal and efficient staff, and we look forward to being in a position to take full advantage of those better times which now appear to be looming on the horizon.

General Manager's Address

Mr. Chairman, Ladies and Gentlemen:

In the absence of the General Manager the duty of reviewing with you the Balance Sheet of the Bank for the year ending 30th November, 1922, devolves upon me. In view of prevailing business conditions in Canada and elsewhere during the year we are pleased with the result. In addition to earning our dividend we have been able to make provision for contribution to the Officers' Pension Fund, Dominion Government taxes and ample reservation for contingencies.

The average capital at our command during the year was considerably less than for some years past, due to a decrease in deposits, and is more than sufficient to account for the decreased earnings.

Our position in this respect is in line with the general movement. Total deposits in all Canadian Banks on 30th November, 1922, compared with the total on 30th November, 1921, show a decrease of approximately $96,000,000

We look forward to the New Year with confidence, but realize the necessity for rigid economy and progressive effort.

A review of the salient features of our statement shows the following changes compared with last year.

We have already pointed out that our total deposits show a shrinkage for the year. The amount is approximately $8,500,000, and this is accounted for by a decrease of approximately $6,500,000 in our demand or non-interest-bearing deposits, and of approximately $2,000,000 in our interest-bearing deposits.

The circulation of the Bank's notes shows very little change; notes outstanding at the 30th November, 1922, were only $139,660 less than they were at the corresponding date of 1921.

Turning to our assets, you will see that our Cash Reserves are 10.38 per cent. of our liabilities to the public, compared with 10.54 per cent. last year, and that our quick assets are 53.49 per cent. compared with 53.70 per cent. last year, clearly indicating that the Bank's strong financial position has been well maintained.

Dominion, Provincial, Municipal, Foreign and Other Investments

Grouping the Bank's investments under the heading of Dominion and Provincial Governments, Canadian, Municipal and British and Foreign securities, Railway and other Bonds and Investments, the total this year is $23,765,682 compared with $29,043,498 last year, or a decrease of $5,277,816, accounted for by the repayment of British, Dominion of Canada and Provincial Treasury Bills which matured during the year.

Call Loans in Canada. These remain approximately the same, showing the slight increase of $60,235.00.

Call and Time Loans Elsewhere Than in Canada are $9,097,163, or an increase over the previous year of $3,197,716, due to increased loans in New York and London.

Demand Loans Secured by Grain. These are approximately the same as last year, showing a slight increase of **$347,393.**

Loans to Provincial Governments and Municipalities are $8,059,918 or $639,386 higher than **last year at the** same date.

Other Current Loans in Canada aggregate this year $54,756,231, or $7,- 253,776 less than **last year.** This decrease is due entirely to smaller requirements by our customers.

Bank Premises. The Bank during the year 1922 adhered to the policy expressed last year and merely completed operations under this head which had been previously initiated.

Crop Movement. Out of the total Wheat Crop for 1922, estimated at 384,747,000 bushels, deliveries at country points to 31st December amounted to 245,747,000 bushels, as compared with 176,000,000 bushels for the same period of 1921. There remained in store at country points 29,000,000 bushels, some 11,000,000 bushels were in transit and with 45,000,000 bushels reserved for Seed, Feed and country mills, there would be about 54,000,000 bushels yet to market, less shipments made through the Port of Vancouver.

Approximately 179,000,000 bushels were shipped by boat through the Lake Shippers' Clearance Association up to the close of navigation as compared with 118,000,000 bushels for the preceding year.

A comparison of the average prices on the basis of No. 1 Northern in store at Fort William and Port Arthur, as compared with the preceding year, shows as follows:

	1921.	1922.
September	$1.48½	$ .99⅞
October	1.15½	1.00¾
November	1.10⅞	1.09¾
December	1.13⅜	1.09⅜
Average price for four months	$1.22 1-16	$1.05⅛

Although prices this year have been lower, the larger crop handled at a slightly reduced cost has meant considerably more to the Western Provinces than the returns for the 1921 crop, and it is pleasing to note that prices continue firm.

Livestock

The year 1922 has been a somewhat discouraging one for the livestock producers. In certain districts there was a serious shortage of feed which resulted in a large number of immature, unfinished cattle being thrown upon the market. The problem was to find ways and means of absorbing the heavy sales. An abundance of feed in Ontario made it possible to ship a large number there and prices reached such a low level during the Fall that a great many cattle went to the United States to be finished.

The market for finished Canadian cattle in the United States was further seriously interfered with by the tariff enactments of last September.

It is said by those in the trade that indications point to a substantial advance in cattle prices during the coming year, and some relief is hoped for by the lifting of the embargo on Canadian cattle which has existed in England for so many years. The whole cattle question is receiving the most earnest consideration of the Stock Growers' Protective Association of Western Canada which is asking for the hearty co-operation of all the large interests in the country.

Increased hog production is another prominent feature of the Western Provinces, and promises good results.

General Remarks

General conditions abroad are still unsettled and cannot become satisfactory until adjustments are made. The necessity for making these adjustments, and the means to the end are engaging the attention of Governments and all thoughtful men, and we hope the solution will not long be delayed.

In the United States, while it is admitted that conditions cannot yet be regarded as normal, the period of readjustment through which the country has passed has put the financial and commercial structure in a sound condition.

The condition of business in Canada is better than last year, and on the whole we can look forward to the coming year with confidence as one which will greatly restore the economic conditions of the country, enhance the property of the producer, and improve the position of all financial, mercantile and producing classes.

It is becoming more generally appreciated by the farmers in Canada that they must revise their methods somewhat by confining their efforts to areas of land to which they can give close personal supervision, by going in for mixed farming wherever conditions will permit of it, and especially by studying the requirements of the markets into which their produce goes.

There is no doubt that the people of Canada today are laboring under two heavy impediments to substantial progress, each of which is involved in the other. We refer to taxation and the necessity for immigration.

In the matter of taxation, we cannot think we would be justified in looking forward to any decreased revenue for our Government at all events for some years, because we do not see how provision can be made for interest and liquidation of our heavy debt unless the Government is to have still further revenue though much can be done by economy. What is necessary, however, is that the per capita burden of taxation shall be lessened so that our people may apply their surplus money to developments.

In other words, this means increased population. We should face the facts squarely in this connection and realize that the extreme urgency of the question imperatively calls for bold and determined effort. No narrow class selfishness should be allowed to stand in the way of an immediate influx of industrious and intelligent people.

Canada has opportunities in abundance and can sustain manv millions of population. Where there is ordinary thrift there is never any privation. Agitations for improvements or for mere change should not reflect adversely on our natural wealth and opportunitv. It is to be hoped that expressions of discontent will not be misinterpreted to the disadvantage of the countrv itself.

The very marked advance in Sterling exchange, and the appreciation of the Canadian dollar are happenings of the year very important to Canada. The rise in Sterling must be a benefit to Canadian exporters, and in particular to agricultural exports which lead the list in volume. It also means that it will again be possible for British capital to flow this way, while the appreciation of the Canadian dollar effects a very large saving to Canadians, inasmuch as our imports from the United States considerably exceed our exports to that country.

Shareholders

Our shareholders now number 4,354 as against 4,051 last year. No single circumstance can have more effect upon the success of a Bank's business than the influence directed by a large number of interested and contented shareholders.

Staff

We, of the executive, have the greatest pleasure in testifying to the loyalty, zeal and satisfactory manner in which all members of the staff have performed their duties during a somewhat trying year.

It was moved by Mr. M. J. Macleod, and seconded by Mr. J. A. Machray, that the meeting proceed to the election of Twenty-two Directors for the ensuing year. The following were re-elected directors: Messrs. W. R. Allan, G. H. Balfour, G. M. Black, Hume Blake, K. C., M. Bull, B. B. Cronyn, E. L. Drewry, S. E. Elkin, D. N. Finnie, John Galt, S. Haas, A. Hitchcock, J. S. Hough, K. C., F. E. Kenaston, W. H. Malkin, R. O. McCulloch, Sir William Price, H. A. Robson, K. C., H. B. Shaw, William Shaw, Geo. H. Thomson and J. B. Waddell.

At a subsequent meeting of the newly-elected Board the following officers were elected:—Sir William Price, Honorary President; Mr. W. R. Allan, President; Mr. G. H. Thomson, Mr. Stephen Haas and Mr. H. B. Shaw, Vice-Presidents.

The Proof Positive

Out of the courts of law comes proof of the wisdom of building up an estate in life insurance. In the long experience of an eminent judge, with estates which come before him in the courts, the insurance policy is the only asset that does not shrink. Real estate and personal property, stock, bonds and so on shrink in value; but where an insurance policy formed part of the assets of an estate, it had never, within his knowledge, paid less than one hundred cents on the dollar.

A Great-West Life insurance policy is the best form in which money can be invested for the protection of your family. Let us send you detailed particulars of our profit earning policies at low premium rates. When you write state your age at nearest birthday.

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City, Farm and Suburban Homes.

We can give you anything you require.

Sun Life Building Hamilton, Ontario

THE BANK OF NOVA SCOTIA INC^{D} A.D. 1832

NINETY-FIRST ANNUAL REPORT

The Bank of Nova Scotia

Capital Paid-Up, $10,000,000 Reserve Fund, $19,500,000

PROFIT AND LOSS

Balance Dec. 31st, 1921		$ 65,328 80
Net profits for year, losses by bad debts estimated and provided for		2,122,682 11
		$2,188,010 91
Dividends for year at 16%		$1,557,383 72
War Tax on circulation to December 30th, 1922		97,464 23
Contribution to Officers' Pension Fund		75,000 00
Written off Bank Premises Account		250,000 00
Transferred to Reserve Fund		35,000 00
Balance carried forward December 30th, 1922		173,162 96
		$2,188,010 91

RESERVE FUND

Balance December 31st, 1921	$19,000,000 00
Premium on New Stock	465,000 00
Transferred from Profit and Loss	35,000 00
Balance forward December 30th, 1922	$19,500,000 00

GENERAL STATEMENT AS AT DECEMBER 30th, 1922

LIABILITIES

Capital Stock paid in		$10,000,000 00	
Reserve Fund		19,500,000 00	
Balance of Profits, as per Profit and Loss Account		173,162 96	
Dividends declared and unpaid		394,403 84	
			$30,067,566 80
Notes of the Bank in circulation		15,399,640 40	
Deposits not bearing interest	$35,172,569 82		
Deposits bearing interest, including interest accrued to date	137,252,032 01	172,424,601 83	
		187,824,242 23	
Balances due to other Banks in Canada		1,835,627 46	
Balances due to Banks and Banking Correspondents in the United Kingdom		88,108 32	
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		774,452 18	
Bills Payable		576,560 04	
			191,098,990 23
Acceptances under Letters of Credit			480,767 29
			$221,647,324 32

ASSETS

Current Coin	$11,419,548 84
Dominion Notes	25,115,653 50
U. S. Currency and British Treasury Demand Notes	1,243,264 18
Notes of other Banks	1,300,491 12
Cheques on other Banks	10,286,771 81
Balances due by Banks and Banking Correspondents in the United Kingdom,	363,657 95
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	1,894,775 36
	51,624,162 76
Deposit in the Central Gold Reserves	6,000,000 00
Dominion and Provincial Government securities, not exceeding market value	25,719,088 83
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	10,373,948 51
Railway and other bonds, debentures and stocks, not exceeding market value	5,105,286 28
Demand loans in Canada secured by grain and other staple commodities	10,364,702 45
Call and demand loans elsewhere than in Canada	10,384,713 38
	119,571,902 21
Call and demand loans in Canada secured by bonds, debentures and stocks	7,414,190 39
	126,986,092 60
Deposit with the Minister of Finance for the purposes of the circulation fund	474,491 01
Loans to governments and municipalities	2,471,343 12
Other current loans and discounts in Canada (less rebate of interest)	71,016,952 37
Other current loans and discounts elsewhere than in Canada (less rebate of interest)	12,446,341 47
Liabilities of customers under Letters of Credit, as per contra	480,767 29
Overdue debts, estimated loss provided for	137,751 56
Bank Premises at not more than cost, less amounts written off	7,221,656 47
Real Estate other than Bank Premises	87,907 42
Other assets not included in the foregoing	324,021 01
	$221,647,324 32

G. S. CAMPBELL, Vice-President. H. A. RICHARDSON, General Manager

AUDITORS' CERTIFICATE

We have examined the books and accounts of The Bank of Nova Scotia at its Chief Office and have been furnished with certified returns from the Branches, and we find that the above statement of Liabilities and Assets as at December 30th, 1922, is in accordance therewith. The Bank's investments and the securities and cash on hand at the Chief Office and at several of the principal Branches of the Bank were verified by us as at the close of business December 30th, 1922. In addition we visited the Chief Office and certain Branches during the year, when we checked the cash and verified the securities and found them to be in agreement with the books. We have obtained all information and explanations required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank. And we certify that the above statement of Liabilities and Assets as at December 30th, 1922, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

A. B. BRODIE, C.A.
D. McK. McCLELLAND, F.C.A. } Auditors
of the firm of Price, Waterhouse & Co.

Toronto, Canada, 15th January, 1923

MEETING TOLD OAK TIRE CANNOT SUCCEED WITH LAW

Warm Discussion Featured Company's Annual Meeting

CHARGES SERIOUS

Mr. Donald Asks Why Manager Endorsed His Cheque Over to Commercial Service

Absolute dissatisfaction with the financial report presented on the ground that it was too meagre in details, was expressed by the shareholders at the meeting of the Oak Tire and Rubber Co. at the recent annual meeting. It was a warm meeting, extremely critical of the present management, one of the leading spokesmen for the shareholders declaring that the company would not get anywhere so long as it was in the hands of Frank Law. After leaving the meeting another shareholder said that the Company would have to be reorganized and Law would have to go. New finances had to be secured and there would be little chance of doing so with Law at the head of the Company.

There were many shots taken at the managing director and the Commercial Service Company. Mr. Law expected this. He had the doors leading to the meeting place manned by stalwarts who were warned to keep the press out. They admitted that Mr. Law had ordered this.

Mr. Donald, one of the shareholders, attacked the Commercial Service and Law. He has bought considerable stock. He refused to sign notes and purchase on the payment plan. He paid cash, making his cheque payable to the Oak Tire. Some days later the salesman asked that the cheque be changed to the Commercial Service in which Mr. Law is said to have a substantial interest. He refused. Then the salesman went to his wife and got her to sign notes and later his agreement was altered.

Still later his cheque had been cashed. He wanted to know from Mr. Law what right he had to endorse his cheque and pay it over to the Commercial Service. What was the object? Mr. Law said that it was likely that Commercial Service sent to him and asked that he endorse over the cheque and he did so. Mr. Donald said that it was his intention to proceed and collect the money. He was also considering proceedings for forgeries having been made in the documents in regard to the stock he purchased.

Mr. Bain, of Welland, one of the committee for the protection of the shareholders, got under the skin of Mr. Law. Evidently the managing director believes that this shareholder has been getting information from the Company from a late officer. In fact it is said that he recently had an employee scouting around trying to find out where the committee of the shareholders and this ex-employee were meeting. Mr. Bain asked Mr. Finlay if the directors had given Mr. Law authority to sell 100,000 shares of the Company's stock to the Commercial Service without their authority. Mr. Finlay said that the directors had not authorized any such action on the part of Mr. Law. The latter said that he acted within his powers. He did not explain further, but added that he didn't want stories from officer interlopers brought into the meeting.

The demand for a more complete financial statement was quite insistent and finally Mr. Law asked that Mr. Bain indicate to the auditors just the information that was wanted and it would be forthcoming.

One director came out of the meeting hurling big and choice words about there being something that should be investigated about the Company, that there was something crooked going on somewhere. He was evidently a truck owner, as he said he owned four cars on which he used the tires. He was quite displeased because a few days after he purchased some tires the Company cut the price by $1.50 and allowed him a credit much below half that sum.

Defenders of Mr. Law's policy at the meeting could be numbered on the fingers of one hand.

Safeguard Removed By Evasion of Tax

That the Receipt Tax is having a tendency to remove some of the safeguards of business and opening the door to irregularities, is the statement made by one large employer, a merchant. He was speaking of the fact that he had abandoned his old policy of having his workers sign for their pay. Now they call at the cashier's wicket and secure their envelope. Others have been encountered who declare that the amount saved by evading the tax really would amount to cheap insurance against irregularities or disputes. They are continuing the evasion but the impression is that at the first sign of trouble the stamps will be applied and the old system resurrected.

There is some complaint heard that municipalities must pay a tax on their tax receipts. This is really a tax on a tax, as the taxpayer in the end must pay the receipt tax also. Another interesting point arises where a person must pay a tax on his own money in securing a refund on railway tickets. When the ticket is bought a tax is paid. When a refund is sought the receipt tax must be paid if the refund is over $10.

New Ore Body Found By Kirkland Lake Gold

A new ore body has been opened up on the 800-ft. level of the Kirkland Lake Gold. The work now extends over 200 ft. and the average values run at $10. The strike was made in what is known as the lamorophyre formation and is the first discovery of its kind north of the main Kirkland Lake contact. Excellent progress is being made by the company. During a recent high-grading case confessions were presented showing that steady pilfering of ore from this mine, carried out regularly and systematically, had about reduced the earnings by an amount that would otherwise have meant a steady and fairly substantial monthly profit. This had been going on for a couple of years before it was discovered.

SHAWINIGAN WILL BUILD A NEW POWER

Gres Falls Will Be Developed Through Subsidiary With 120,000 h. p.

From Our Own Correspondent.

MONTREAL.—The development of a new water power for the Shawinigan Water & Power Co. at the Gres Falls and Gabelle Rapids on the St. Maurice River will be carried out through a subsidiary, the St. Maurice Power Co. The plans include the erection of a concrete dam 1,547 feet long, extending completely across the river, about ten miles below Shawinigan Falls. The power house will rest on one section of the dam and will be 440 feet long by 115 feet wide. The head developed at the first will be about 60 feet. There will be installed 4 vertical type turbines and generators each having a capacity of 30,000 h.p., providing a total installed capacity of 120,000 h.p. Room will be provided in the power house for the installation of two additional units. The development of this water and power will enable additional advantage to be taken of the Gouin Dam at La Loutre Rapids, 235 miles above the power house site, which creates a lake of 400 square miles in area and greatly increases the supply of water at Gres Falls as it does at Shawinigan Falls and Grand'Mere, at the latter place for the Laurentide Power Co. The company expects the work to be completed in 18 months, although it may be speeded up to make the power available inside that period. The leasehold of the Gabelle Rapids has been acquired from St. Maurice Lumber Co., which is the name under which the newsprint mill of the International Paper Co. at Three Rivers is operated.

LARGE STEEL PLANT WILL RE-OPEN

Taken Over by Charles Walmsley & Co. and to be Made Canadian Branch

From Our Own Correspondent.

MONTREAL.—An important industrial development is announced this week in the re-opening of the Longueil plant at present owned by Armstrong Whitworth of Canada, Limited, for the manufacture of pulp and paper machinery and general engineering works. The new enterprise will really take the form of a Canadian branch of Charles Walmsley & Co., of Bury, England, and the Longueil plant will be turned over to a new Canadian company called Charles Walmsley & Co. of Canada, Limited. A Canadian Board is being established and while not yet complete it is known that Sir William Price, president of Price Bros. & Co., will be president, and that among the other directors will be F. H. Anson, president of the Abitibi Power and Paper Co.; Hon. G. G. Foster, K.C., and H. B Walker, Montreal manager of the Bank of Commerce. It is announced that the management of the new Company will be entirely under the control of the Canadian board of directors, but that these will obtain assistance when necessary from the parent company in technical, operating and administrative matters.

The prominence of newsprint manufacturers in this business is due to the fact that a large number of the Walmsley machines are being used in Canada. These include those operating in the Price Bros.' mills at Kenogami, and the huge newsprint machinery at the Iroquois Falls mill of the Abitibi Co, which are said to be the largest in the world. The Company is now building in England under order from Canadian companies, machines for the Belgo Paper Co., the Bathurst Lumber Co., additional machines for Price Bros. for their new development, and others for the extension to the Donnacona Co.

The policy of the new company will be to carry on this Canadian business of Charles Walmsley & Co., and in addition to acquire the necessary rights to manufacture other specialties so as to form a complete line of equipment for pulp and paper mills and hydro-electric installations. An agreement on these lines has already been concluded with Sir W. G. Armstrong Whitworth & Co. for rights for the manufacture of water turbines, water and steam valves, hydraulic pumps, etc. Rights have also been obtained to manufacture the specialties of the Watford Engineering Works, and with the Gwynnes Limited, of Hammersmith, London, for centrifugal pumping machinery and a number of other lines. D. E. Grant has just completed the arrangements and the executive and works organization are now being formed.

BRITISH FUNDS FOR MORTGAGES ARE INCREASED

Toronto Mortgage Company Will Benefit From New Capital

While earnings of the Toronto Mortgage Company for 1922 showed a slight increase over those of 1921, increases in interest charges, general expenses and taxes had the effect of reducing the net profits to $88,286 as compared with $91,396 in 1921 and $93,386 in 1920. The dividend having been increased from 9 per cent. to 10 per cent., the distribution required $72,455 as compared with $65,209 in previous years. The remainder increased the balance of profit and loss from $38,774 to $54,605. Nothing was added to the reserve fund, which is already greater than the paid-up capital. Following are comparative figures:

	1922	1921	1920
Earnings	$223,479	$222,110	$216,641
Interest	$ 92,861	$ 88,931	$ 90,429
Charges	7,156	4,625	2,893
Expenses	24,626	22,885	21,432
Taxes	10,550	9,338	8,501
Written off	...	4,935	...
	$135,193	$130,714	$123,255
Net profits	$ 88,286	$ 91,396	$ 93,386
Bal. forward	38,774	37,588	39,412
	$127,060	$128,984	$132,798
Distribution			
Dividends	$ 72,455	$ 65,209	$ 65,209
Reserve	...	25,000	30,000
Balance	54,605	38,774	37,588
	$127,060	$128,984	$132,798

Of outstanding interest is the increase of over $100,000 in sterling debentures, indicating the extent to which British sources of capital have been reopened. These debentures now total $1,421,535 of the total of $1,775,484 owing to the public. The debentures were somewhat reduced and savings deposits somewhat higher.

In connection with the increase in sterling debentures, the point is to be made that it is the intention of the company to pay the whole cost of securing this capital in the current year and no credit is taken for accrued interest. This indicates that a more favorable showing could have been made in 1922 had the cost of this new capital been spread over the period for which it is available. The benefits of this new fund will come in succeeding years and be reflected in earnings.

Interest due is shown at only $1,763 or about $200 less than in the previous statement, and of this it is understood that the bulk has already been paid in. The increase in Dominion and provincial taxes should be noted; these now amount to about 1½ per cent. on the paid-up capital, an increase of about ¼ per cent. in the year. The company's earning record for the past six years is summarized as follows:

Year	Paid-up Capital	Net Profits	Div.	% on Cap.	Earn. Rate
1922	$724,550	$88,286	10	12.2	5.9
1921	724,550	91,396	9	12.6	6.4
1920	724,550	93,385	9	12.9	6.7
1919	724,550	90,172	8	12.5	6.7
1918	724,550	89,542	8	12.4	6.6
1917	724,550	90,824	8	12.6	6.9

Brazilian Traction to Pay Another Dividend

Though there were many who feared that Brazilian's dividend on the common might be passed because of the unsettled condition in Brazilian exchange, their fears have been set at rest by the declaration of a one-per-cent. payment for the first quarter of 1923. This is the third declaration since the resumption of dividends. The position of the company is a strong one, as earnings go, as the monthly statements have shown a steady increase in earnings. However, unsettled conditions in Brazil and the fact that it was a costly proposition to bring funds to Canada for dividend payments on account of the low value of milreis, led many to believe that the dividend would be passed and the finances reserved until such time as the exchange rate would improve. Brazilian gross earnings for 11 months of 1922 totalled 179,876,000 milreis compared with 155,462,000 for the same period in 1921. The net for the same period was 113,103,000 and 87,751,000. Particularly concerned with the exchange rate is the financial position of Brazil. A recent report to the new president showed a deficit for the year 1922 of 200,000 contos of reis or $24,000,000. The annual interest demands on the country's debt totals 300,000 contos with a floating debt of 700,000 contos, in all about $120,000,000.

QUEBEC RAILWAY EARNINGS

The statement of Quebec Railway, Light, Heat & Power Co. for the month of November shows an increase both in gross earnings and in surplus, while the record for the eleven months ending November, 1922, shows an increase of $16,000, with a gain of $185,000 in net earnings. The figures for the month and for the eleven months of both years compare as follows:

Month of November

	1922	1921	Increase
Gross	$244,119	$233,558	$ 10,561
Ox. Ex. and fixed charges	222,018	218,991	* 3,027
Surplus	$ 22,100	$ 14,566	$ 7,534

Eleven Months Ending November

	1922	1921	Increase
Gross	$2,611,227	$2,595,029	$ 16,198
Ox. Ex. and fixed ch'gs	2,326,719	2,496,014	*169,294
Surplus	$ 284,507	$ 99,014	$185,493

*Decrease.

STOCK SALES ORGANIZER

We want to get in touch with a financial house that can sell $100,000 of preferred stock in a sound organization or a man who can get together a sales force to sell all or part of the stock. A very substantial commission will be arranged. Apply in first instance to Box 59, The Financial Post.

Young Man

with good business training desires position with stock brokerage firm, or junior partnership. Enquiries in strict confidence.

Address Box 60, Financial Post

Black & Armstrong
WINNIPEG

Western Branch Managers for
North American Accident Ins. Co.
Casualty Insurance

Imperial Assurance Company
Hail — Fire — Automobile

Century Insurance Co., Ltd.
Fire

Great American Insurance Co.,
New York
Inland Marine — Fire — Auto

Canadian Guarantee Managers for
The Excess Insurance Co. Ltd
London — England
Guarantee Bonds Hail Insurance

ESTATE BRYANT BROTHERS LIMITED

Office Furniture Auction Sale

$20,000.00 of Office Furniture in Toronto and Montreal to be sold at public auction. This is your opportunity to buy the best of Office Fixtures and Furniture.

Sale in Toronto will take place in C.P.R. Bldg., January 24th, 1923, at 10 a.m.

Sale in Montreal will take place on premises, 84 St. Francois-Xavier Street, January 26th, 1923, at 10 a.m.

For further particulars, apply to

OFFICE OF TURCOTTE, MERRILL & POTVIN, Montreal.

E. H. MERRILL, Trustee.
97 St. James Street, Montreal.

TOWN CAR

BODIES Built to Order

Closed cars are in great demand. They are the new fashion. We can put a Sedan, Limousine, or Coupe Body on your old chassis, and make your old car like a new one, at a great saving in price. Perfect satisfaction and prompt delivery. Your own design if you prefer. Write for particulars.

CARRIAGE FACTORIES
LIMITED
ORILLIA, Ont.
We build Taxi-Cab Bodies to order.

COUPE

DEBT RELIEF OF $20,000,000

During the six months the Southern Alberta Drought Relief Act has been administered by Commissioner E. J. Fream, debts approximating between $20,000,000 and $25,000,000 have been handled.

UNSATISFACTORY CONDITIONS

Conditions among farmer residents of the Western States are said to be very unsatisfactory this year, as they have been for several years, and many are looking toward Canada as a land of new opportunities. None but farmers and their families will be encouraged to settle in Canada,

TENDERS WANTED

DEBENTURES
FOR SALE

Village of Wellington
ONTARIO

$12,000 Consolidated School Bonds 5½% 30 years, payable in yearly instalments. Tenders will be received up to 8 o'clock p. m., January 29, 1923.

E. A. TITUS, Clerk.

Village of Woodbridge

Sealed Tenders will be received by the undersigned up to six p.m. January 23, 1923, for forty thousand dollars, five and one-half per cent. thirty-year debentures of the Village of Woodbridge, payable at the office of the Treasurer, Woodbridge, Ont.

ED. W. BROWN,
Village Clerk, Woodbridge.

DIVIDENDS

THE
DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 31st January. 1923, at twelve o'clock noon.

By order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 17th November, 1922.

BRAZILIAN TRACTION, LIGHT AND POWER COMPANY, LTD.
(Incorporated under the Laws of Canada)

Notice is hereby given that the Board of Directors of this Company has declared a dividend of one per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st March, 1923, to all shareholders of record on the registers at the close of business on the 31st January, 1923.

Dated at Toronto, Canada, 13th January, 1923.

J. M. SMITH, Secretary.

NOTE: The Transfer Agents of the company are National Trust Company, Limited, Toronto and Montreal, Canada. The London Agents of the company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London, E.C.2.

Canada Cement Company
Limited
Preference Shareholders
Dividend No. 52

Notice is hereby given that a dividend of 1¾% for the three months ending December 31st, 1922, being at the rate of 7% per annum on the paid-up Preference Stock of this Company, has been declared, and that the same will be paid on the 16th day of February next to Preference Shareholders of record at the close of business January 31st, 1923.

H. L. DOBLE, Secretary.
Montreal, January 15th, 1923.

Dome Mines
Coniagas
Continental
Keeley Silver
Hollinger
McIntyre
Wright-Hargreaves
Crown Reserve
Cons. West Dome
Clifton
Vipond Cons.
Porc. Crown
Paymaster

Interesting information concerning all of these companies is contained in the current issue of

Gibson's Fortnightly Mining Review

If your name is not on our mailing list, write for your copy to-day. Free for the asking.

Homer L. Gibson & Co.
Bank of Hamilton Bldg.
TORONTO

Montreal

George Nicol, has been appointed manager of the Campbellford branch of the Bank of Montreal to succeed C. H. Harris.

R. T. W. Lewers, of Perth, has been appointed manager of the Bank of Montreal at Orillia to succeed F. C. Smyth who has been transferred to the superintendent's office at Toronto.

A branch of the Bank of Montreal has been opened at St. George Beauce, Que., under the management of J. C. D. Rochette.

MONEY, BANKING AND EXCHANGE

UNSOUND MONEY IDEAS MENACING NEW PROSPERITY

A.B.A. Would Bring Farmers and Bankers Closer Together

As in Canada there are in the United States agitations for cheap money which menace sound banking and threaten to undermine economic stability. This should not be overshadowed by the confidence of reviving prosperity. The American Bankers' Association realizes that education of the public is highly important in this connection and a campaign is proposed to bring the banker and the farmer into a closer "economic acquaintanceship" during 1923. The following statement by President J. H. Puelicher regarding the situation in the United States and the plans of the A. B. A. deserves the careful consideration of Canadian bankers.

Confidence in prosperity has obscured a menace that may destroy it, declares J. H. Puelicher, president of The American Bankers' Association, referring to the agitation for unsound money that has not subsided with the advent of better times but growing to threatening proportions in many sections.

While we can say without hesitancy that the business and financial systems of the nations are in as sound a condition as at any time in our history, the attitude of large groups of people in some parts of the country toward unsound money agitation cannot be ignored. Over-confidence in prosperity that obscures this menace may result in the destruction of the prosperity that undoubtedly lies ahead if we maintain our financial balance.

In the Middle Western States, the growth in unsound money doctrines, and unwarranted attacks on the Federal Reserve System, which is the bulwark of our financial stability, are cause for serious consideration and action.

Unsound Money Advocated

The staunchest business system imaginable can be determined by unsound money and unsound banking theories. If they gain a foothold among the people, under the guise of measures of social justice, no business system is safe.

We have seen the harm this can do in this country in previous periods of agitation. We see the harm it is doing to-day in other nations. The greatest social justice that can be established is through the maintenance of sound business.

Business is really sound in the long run, only when it serves the best interests of all the people. Selfish interests, at times, have succeeded in gaining temporary advantage at the expense of others. But the intelligence of democracy and the working of natural economic forces sooner or later restores more equitable conditions.

The workings of these principles could only be thwarted, and inequalities in social opportunity under our business system could be created by unsound money conditions and unscientific banking methods that would result from the application of radical doctrines to them.

Education Important

In view of these facts and of conditions existing to-day, The American Bankers' Association places particular importance on its public education activities aiming to extend the prevalence of understanding in regard to fundamental business and banking principles among all the people.

It is not enough that bankers understand banking. It is not enough that business men understand business. They must understand each other's work. Above all, the general public must understand the basic principles of business and banking if these activities are to be protected to go on doing the public's work and serving its best interests.

A leading item in the activities of The American Bankers' Association during 1923 will be an aggressive drive to bring about better economic acquaintanceship between bankers and farmers.

I would like to put every farmer in a bank for a while and every banker on a farm for a while. The farmer and banker have never known enough about the ins and outs of each other's job. It is going to be a main task of The American Bankers' Association during the year to bridge this gap.

The Association is whole-heartedly in favor of sound measures, now being developed at Washington, for adequate credit facilities, on a national scale, for the farmer in keeping with the turnover and other conditions peculiar to his business. The Association is also heartily in accord and will lend its support to measures for the more orderly marketing of farmer products.

But more than that the Association is going to study first-hand, through qualified men, the problems and needs of the farmer and bring them home to the bankers of the country. It is also going to give the farmer, through its Committee on Public Education and other activities, a greater opportunity than ever before to understand the fundamentals of good banking policy.

Molsons

Frank Macbeth, whose death occurred recently in Bermuda, was for many years manager of the Calgary branch of the Molsons Bank, and previous to going to Calgary he was manager of the branch at Revelstoke, B.C.

The European Crisis Affects the Exchanges

There has been little change in the standing of the Canadian dollar in New York this week, quotations for New York funds ranking in a narrow margin around 1 per cent.

There has been some decline in the value of the pound sterling and francs and lira have both slumped with the developments in Europe. The German mark has dropped to a level where trading has been demoralized.

NEW YORK FUNDS

Jan. 11—Funds opened at 5-8 per cent. premium, firmed to 61-64 and closed at 15-16.

Jan. 12—Opening at 7-8, funds reacted to 25-32 and closed at 27-32.

Jan. 13—Funds firmed from the opening of 27-32, advancing to 15-16 at the close.

Jan. 15—Funds opened at 15-16 premium, and eased to 29-32 at the close.

Jan. 16—Opening at 7-8 premium, funds touched a low of 27-32, but firmed again to 7-8 at the close.

Jan. 17—Funds opened unchanged at 7-8 premium, and closed up to 31-32.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Jan. 11	4.67⅛	6.86	4.92
Jan. 12	4.67⅜	7.03	4.97
Jan. 13	4.67⅛	6.92	4.94
Jan. 15	4.66¼	6.79	4.90½
Jan. 16	4.66⅜	6.83	4.91
Jan. 17	4.64¾	6.63	4.74½

LIQUID POSITION OF UNION STRENGTHENED

Ratio of Immediately Available Assets Increased—Savings Deposits Up Well

The effects of continued deflation in business during 1922 are reflected in the balance sheet of the Union Bank of Canada, in common with other banks in Canada, by a reduction in current loans of $7,250,000. This and other changes, making a reduction in total assets of $9,400,000, are largely counterbalanced by a decline in deposits, but it is interesting to note that while there is a reduction of $6,500,000 in demand deposits there is a reduction of less than $2,000,000 in savings deposits.

It is also interesting to note that the bank during the year strengthened its position as regards immediately available liquid assets, with an increase in the ratio of liquid assets to total assets and also to total liabilities to the public. Following are comparative figures from the balance sheet:

Immediately Available Liquid Assets

	1922	1921	Change
Specie	$ 1,109,478	$ 1,176,468—	$ 66,990
Dom. notes	11,893,616	13,053,261—	1,159,645
Notes cir. dep.	395,000	395,000	......
Notes, bk.	1,256,573	1,047,342+	209,231
Call loans ab'd.	2,787,824	1,461,979+	1,325,845
Bank bal.	90,965	90,012+	953
Do., ab'd.	3,840,917	4,794,726—	953,809
Gov. secs.	14,815,488	15,946,501—	1,131,013
Cheques	8,159,951	8,806,898—	646,947
Gold res.	2,800,000	2,100,000+	700,000
x Dem. loans	7,632,877	7,295,483+	337,394
	$ 54,782,689	$ 56,167,670—	$1,384,981
% total assets	38.30	36.94 +	1.36
% total liab. to public	42.79	40.98 +	1.81
Other Assets			
Pub. secs.	$ 6,700,351	$ 9,618,254—	$2,917,903
Other secs.	2,249,844	3,478,745—	1,228,901
Call loans	3,281,150	3,220,914+	60,236
Current	54,756,232	62,010,008—	7,253,776
Elsewhere	6,809,341	4,937,469+	1,871,872
Over. debts	262,303	137,563+	124,740
Lets. of cred.	3,236,804	2,897,829+	338,975
Real estate	210,714	176,127+	34,587
Mortgages	385,426	395,541—	10,115
Premises	2,387,022	2,031,692+	355,330
Other assets	96,695	133,045—	36,350
Mun. loans	8,059,913	7,420,529+	639,384
	$ 88,435,795	$ 96,457,716—	$8,021,921
Total assets	$143,218,484	$152,625,386—	$9,406,902
Liabilities to Public			
Circulation	$ 9,727,649	$ 9,867,309—	$ 139,660
Dem. dep.	30,818,089	37,313,939—	6,495,850
Savings	77,431,787	79,409,816—	1,978,029
Due banks	662,243	809,298—	147,055
Due else.	6,633,544	7,543,643—	910,099
Accept.	3,236,804	2,897,829+	338,975
Other liab.	9,392	18,557—	9,165
	$128,519,508	$137,860,391—	$9,340,883
To Shareholders			
Capital	$ 8,000,000	$ 8,000,000	......
Reserves	6,000,000	6,000,000	......
Dividends	215,800	223,309—	7,509
Balance	483,176	541,686—	58,510
	$ 14,698,976	$ 14,764,995—	$ 66,019
Total liab.	$143,218,484	$152,625,386—	$9,406,902

x Demand loans in Canada secured by grain.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Jan. 11, 1923	Change	%
Toronto	$125,363,030+	$19,921,920	18.9
Montreal	94,659,534—	24,808,318	20.8
Ottawa	6,506,943+	159,937	2.5
Hamilton	5,552,446+	125,627	2.3
Quebec	5,329,073—	68,868	1.3
Halifax	3,133,877+	78,169	2.1
Windsor	3,133,877—	133,824	4.1
London	3,098,204—	236,732	7.1
St. John	2,619,597—	319,560	10.9
Brantford	1,117,178+	89,585	8.7
Kitchener	1,056,601+	16,438	1.6
Moncton	1,046,051+	78,725	8.1
Sherbrooke	776,431+	6,625	.9
Peterboro'	732,722+	54,176	8.0
Kingston	639,934—	112,995	15.0
Total East	$255,473,731—	$5,148,103	2.0

WESTERN CITIES

	Jan. 11, 1923	Change	%
Winnipeg	$ 45,746,089+	$ 2,270,220	5.2
Vancouver	14,103,055+	339,940	2.5
Calgary	5,153,844—	150,937	2.8
Edmonton	5,067,434—	590,970	10.4
Regina	3,798,773—	163,432	4.1
Saskatoon	1,541,013—	273,927	15.1
Moose Jaw	1,316,466—	36,913	2.7
Fort William	933,972+	63,442	7.3
Brandon	614,417—	9,588	1.5
Lethbridge	556,561—	170,211	23.4
New Westminster	422,739—	92,644	18.0
Prince Albert	363,278+	25,115	7.4
Medicine Hat	344,939—	41,291	10.7
Total West	$ 79,972,580+	$ 1,168,804	1.5
Grand Total	$335,446,311—	$3,979,299	1.2
Victoria	2,043,222	......	..
Year to date	$677,440,748+	$ 998,202	.1

HIGHER PROFITS SHOWN BY BANK OF NOVA SCOTIA

Little Contraction Shown in Current Loans During Year

In view of the general contraction in current loans of the Canadian banks during the year the fact that there was a decrease of only $646,000 in these commercial credits by the Bank of Nova Scotia is an outstanding feature of the annual report of that institution. At the same time loans outside Canada, presumably in Newfoundland and the West Indies, increased by $1,898,000, but call loans were cut down by $1,346,000.

The bank loans on grain and staple commodities showed a decline of $9,540,000 but there was an increase in holdings of Dominion notes of $4,180,000 and $2,800,000 in government securities while a new item of $1,243,000 appears for loans on U. S. currency and British Treasury demand notes. These investments enabled the bank to maintain a strong liquid position.

Savings deposits declined about $4,000,000, a comparatively small sum in view of the total held and the general tendency in regard to these deposits. Comparative figures from the balance sheet follow:

Immediately Available Liquid Assets

	1922	1921	Change
Specie	$ 11,419,549	$ 11,528,449—	$ 108,900
Dom. notes	25,115,654	20,934,292+	4,181,362
Note cir. dep.	474,491	484,286—	9,795
Notes bk.	1,300,491	2,758,212—	1,457,721
Call loans abroad	10,384,713	11,731,285—	1,346,572
xxDemand Notes	1,243,264	......+	1,243,264
Bank bal. abroad	2,258,433	4,125,101—	1,866,668
Gov. secs.	25,719,089	22,914,222+	2,804,867
Cheques	10,286,772	9,089,111+	1,197,661
Gold reserve	10,364,702	19,905,380—	9,540,678
xDemand loans	10,364,702	19,905,380—	9,540,678
	$104,567,158	$109,970,338—	$5,403,180
% total assets	47.31	48.81 —	1.50
% total liab.	54.74	56.06 —	1.32
Other Assets			
Pub. sec.	$ 10,373,949	$ 10,676,092—	$ 302,143
Other sec.	5,105,256	4,131,566+	973,720
†Call loans	7,414,190	7,502,163—	87,973
Current	71,016,952	71,663,385—	646,433
Elsewhere	12,446,341	10,547,582+	1,898,759
Over. debts	137,752	117,899+	19,853
Lets. of cred.	480,767	411,344+	69,423
Real estate	87,907	74,141+	13,766
Loans Gov.	2,471343	3,066,660—	595,317
Premises	7,221,656	6,764,547+	457,109
Other assets	324,023	380,681—	56,658
	$117,080,166	$115,336,060+	$1,744,106
Total assets	$221,647,324	$225,306,398—	$3,659,074
Liabilities to Public			
Circulation	$ 15,399,640	$ 15,852,568—	$ 452,928
Dem. deposits	35,172,570	35,297,384—	124,814
Savings	137,252,032	141,242,048—	3,990,376
Due banks	1,835,627	716,301+	1,119,326
Due else.	862,560	1,449,936—	587,376
Acceptances	480,768	411,343+	69,425
Bills pay.	576,560	1,180,799—	604,239
	$191,579,757	$196,150,739—	$4,570,982
To Shareholders			
Capital	$ 10,000,000	$ 9,700,000+	$ 300,000
Reserve	19,500,000	19,000,000+	500,000
Dividends	394,404	390,329+	4,075
Balance	173,163	65,329+	107,834
	$ 30,067,567	$ 29,155,658+	$ 911,909
Total liab.	$221,647,324	$225,306,398—	$3,659,074

x On grain and staple commodities.
† On bonds, debentures and stocks.
xx U. S. currency and British Treasury demand notes.

The maintenance of current loans was no doubt largely responsible for the fact that a substantial increase in profits was shown—from $2,111,733 to $2,122,682. An addition of $35,000 to the reserve fund made a total of $19,500,000 including the premium on the issue of $300,000 new stock made in July last. $1,557,383 was paid out in dividends, $97,464 for circulation taxes, $75,000 contributed to the officers' pension fund, $250,000 written off bank premises, and $35,000 transferred to reserve fund, leaving a balance of $173,162 carried forward to next year.

Income Account

	1922	1921	1920
Bal. forward	$ 65,328	$ 982,595	$ 704,172
Net profits	2,122,682	2,111,733	2,327,423
	$2,188,010	$3,094,328	$3,031,595
Dividends	$1,557,383	$1,552,000	$1,552,000
Reserve	35,000	1,000,000	......
Pension fund	75,000	80,000	100,000
Tax on cir.	97,464	97,000	97,000
Written off	250,000	300,000	300,000
Balance	173,163	65,328	982,595
	$2,188,010	$3,094,328	$3,031,595

Earnings on capital were slightly lower but on investment they were higher as indicated in the following summary:

Year	Profits	% on Cap.	Div.	% on Invest.
1922	$2,122,682	21.2	16	7.2
1921	2,111,733	21.7	16	7.1
1920	2,327,423	23.9	16	8.1
1919	1,925,478	19.8	16	6.8
1918	1,411,925	21.7	14	7.4
1917	1,295,315	19.9	14	6.8
1916	1,252,038	19.2	14	6.8

Commerce

Gerald McClenaghan, teller at the Woodstock branch of the Bank of Commerce has been transferred to the Queen and Yonge sts., Toronto, branch.

MOLSONS

M. H. Lister, who for the past four and a half years has been manager of the Molsons Bank at Edmonton, has been appointed manager of the Calgary branch in place of the late Frank McBeth.

Nova Scotia

Purchase of property occupied for years by the Edmonton branch of the Merchants Bank, now amalgamated with the Bank of Montreal, has been announced. The buyers of the property are the Bank of Nova Scotia, while the amount involved is reported to be around $200,000.

An income of 7.60%

At 92, the 7% Preferred Stock of the Canadian Locomotive Co., Limited, yields an annual investment return of 7.60%. The stock is listed on the Toronto Stock Exchange. An intimate knowledge of the management, history and future of the Company permits us to recommend strongly the purchase of the preferred stock at the present market price.

Price: about 92 to yield 7.60%

Write for Special Circular 84, or send in your order to buy "at the market."

Æmilius Jarvis & Co.
LIMITED
Established 1891
Ottawa New York — 293 Bay St. Toronto — Montreal London Eng.

CITY OF REGINA
SASKATCHEWAN
DEBENTURES

Sealed Tenders endorsed "Tenders for Debentures," addressed to the City Commissioners, will be received up to 3 o'clock p.m., Thursday, February 1st, 1923, for the purchase of sufficient of the following Sinking Fund Debentures to retire an issue of Coupon Bonds maturing March 1st, 1923, amounting to $1,016,400.00, which issue was secured by the hypothecation of the Debentures issued under the following By-Laws:

By-Law		
785	$360,000.00	35 years, Dated July 1st, 1914. Waterworks Extension.
786	244,000.00	30 years, Dated July 1st, 1914. Light and Power Plant.
788	170,000.00	30 years, Dated July 1st, 1914. Storm Water Sewer.
789	175,000.00	30 years, Dated July 1st, 1914. Hospital Extension.
791	250,000.00	30 years, Dated July 1st, 1914. Street Railway Extension.

Total—$1,199,000.00

The Sinking Fund provided for in the above By-Laws has been regularly levied and collected as therein provided and said Fund is now intact.

Alternative Bids are requested:

(1st) On the basis of both Principal and Interest payable in New York, Montreal, Toronto or Regina, at holder's option.

(2nd) On the basis of both Principal and Interest payable in Montreal, Toronto or Regina, in Canadian currency only.

Alternative offers to be made on the basis of 5% and 5½% interest rate.

Tenders for the above issue may be for the whole or any part of same.

The Bonds are a direct obligation of the City at large and are issued in Coupon form with Interest payable semi-annually and Principal at date of maturity.

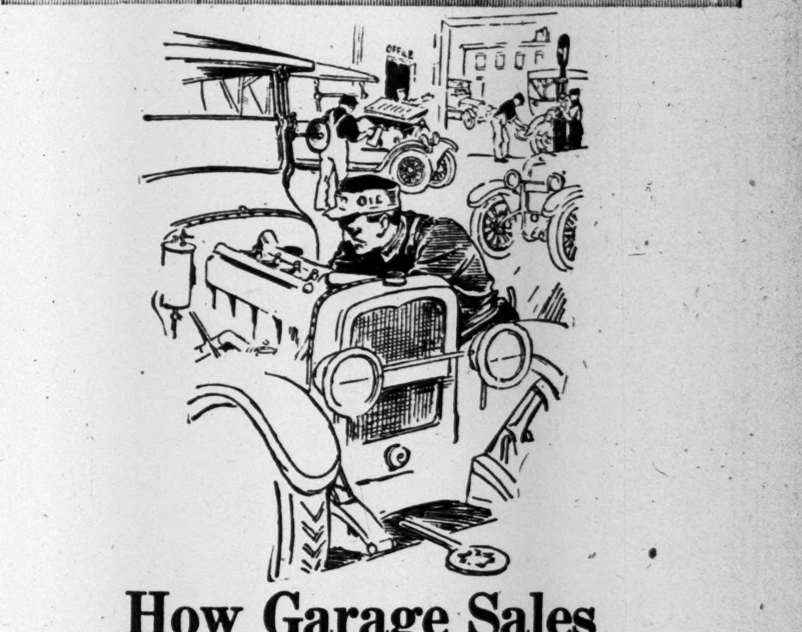
Provision is made for registration of Principal only.

By-Laws covering the above issue have all been legally approved by Alex. Bruce, K.C., and certificates given under date of June 25th, 1914.

The right is reserved to reject any or all proposals.

Further information will be furnished upon application to the undersigned.

JNO. E. SNOWBALL, City Treasurer.



How Garage Sales are increased
by Long Distance

Some quotations from recent reports:

"We use Long Distance extensively to call up prospects and sell."

"We use Long Distance to all our sub-agents, to keep in touch with sales."

"We depend on Long Distance to sell our vulcanizing service."

"We order parts in the morning by Long Distance and get them in the afternoon."

"We put 'Use the Bell to Sell' stickers on all price lists and sales literature we send out."

"Ask us about our FREE LONG DISTANCE SERVICE on new parts," a Motor Sales Co. writes out-of-town garages.

We can tell you how to apply Long Distance to almost every business.

FRANK KENNEDY
Manager

Headquarters for Investors

McCUAIG BROS. & CO.

Members of the Montreal Stock Exchange

Clarence J. McCuaig D. Rykert McCuaig
G. Eric McCuaig Clarence N. McCuaig
W. P. Hickey

A General Stock Exchange Business Transacted.

NOTRE DAME at St. Francois Xavier Street
MONTREAL

Paid Up Capital $2,500,000

Canadian Bank Note Company, Limited

Successor to
American Bank Note Co. of Canada

Engravers and Printers

Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and other Monetary Documents

Head Office and Works: OTTAWA

BRANCHES:
Montreal Toronto.

Building Sites

On and near Yonge St., with large trees and fine views, one minute's walk from the City Car Line. Restricted. $80 per foot up.

H. R. DOUGLAS
Adel. 5070 and Bell. 69M.
Mall Building.

8% Cumulative Redeemable Preferred Shares

Dominion Combing Mills LIMITED

Write for particulars

Dominion Development Corporation Limited
805-813 C.P.R. Building
TORONTO

134 Jackson Bldg., Ottawa, Ont. 1004 Transportation Bldg., Montreal, Que.

24%

The Canadian U. S. Oil & Refining Company have paid a dividend of 24 per cent. in cash and stock for 1922, and showed net earnings of 48 per cent. These dividends are being maintained in 1923, and earnings are increasing, the company now having 55 producing wells.

The present market value of this stock places it in an extremely favorable position as an investment—the speculative stage having been passed, and the company entering a period where earnings are unlimited.

Gessler Bros.
107 Bay Street. TORONTO.
Adel. 8268-9.

GEO. O. MERSON, A. C. I. S.

CHARTERED SECRETARY

Statutory and other secretarial duties and service undertaken for Joint Stock Companies who may desire Toronto office address and representation.

807 Lumsden Bldg. Toronto, Canada.
Phone MAIN 7014.

OGILVIE TEXTILE

Our Bulletin No. 41, issued November 1st, 1922, shows by comparative analysis the remarkable financial position of the Ogilvie Flour Mills Company and the Dominion Textile Company.

The Bulletin shows Ogilvie with Investments of $7,562,955; contingent reserves $2,500,000, and rest account of $2,500,000—the last named being equivalent to the common stock capital.

Textile has Investments of $4,122,265, and contingent reserves of $2,694,254.

Last fiscal reports showed Ogilvie's net working capital at $8,185,784; and Textile's at $8,144,900.

We shall be glad to execute orders in these stocks.

Dickinson & Walbank

Members of Montreal Stock Exchange.
152 St. James Street, Montreal.
Main 4090-4093.
T. Kelly Dickinson, J. Y. K. Walbank,
W. McLea Walbank.

The annual shareholders' meeting of Shawinigan Water & Power has been called for February 20th. The management is asking for permanent but revocable proxies in the names of J. E. Aldred, Julian C. Smith and W. S. Hart.

NEWS AND VIEWS FOR MANAGERS

BANKS RENDERING GOOD SERVICE IN EXPORT TRADE

Gathering Information and Expediting Collections Leading Services

The part the banks of the Dominion are playing in the expansion of Canada's foreign trade, and the method of their assistance was explained by H. V. F. Jones of the Bank of Commerce, to the Toronto University Extension Course on Export Trade. Two of the main features of the banks' service to their clients are gathering information for trade reports and expediting collections.

Mr. Jones' address was a history of the bank in foreign trade, detailing the progress from the time when bills of exchange and trade acceptances started to replace the old method of barter. Dealing with the bank's function as a collector, he stated that when an exporter sells a bill of goods on Rotterdam, or London, he goes to his bank. To protect him on the exchange, the bank will either sell an amount equal to the amount of the bill on Rotterdam or London, or a future on New York. The banks' account at this point will then be overdrawn and will remain so until the bill is due a few months later. It was explained, however, that if the sale was on an account that was not the soundest, a recent grain sale to Greece was mentioned as the credit of that country is not the best, credits would have to be established and placed at the disposal of the shipper's bank before the goods would be shipped. Mr. Jones stated that in these days of fluctuating exchange, it would be almost impossible for foreign trade to be carried on without the banks. He instanced the case of a manufacturer selling goods in France six or eight months ahead. He would want to be protected. To do so he would arrange a banker's credit and sell a future. The banker's credit is his protection. It was stated that a bank will either discount, purchase or advance against a foreign bill of exchange. The latter is a loan and interest is charged. On the purchase the bank must provide for interest for the time it is out of its money and for the exchange and bill stamps. In a case of discount, this is usually borne by the drawer, but at times it is arranged that the drawee shall pay the discount. In this latter case Mr. Jones' advice was to include this in the invoice and make the bill for the total. If it is not, the bank has to add it to the face of the draft in red ink. Then, when it is presented, if the drawee insists that he will pay only the original face, the bank must accept that amount. The result is delay and expense. He advised that the various bank collection clauses should be used on a draft, whichever of the three or four forms was required to meet the needs of the customer.

Mr. Jones said that it was necessary to extend credit if trade is to be developed. He recalled how recently a $100,000 order was lost and considerably more trade because it was insisted that the cash should be paid before the goods were shipped. The order went elsewhere. He said that a clear payment could be arranged for on the presentation of the invoice or a clear draft. Then he mentioned the irrevocably confirmed credit which is a credit that cannot be cancelled or a credit can be established "without recourse" which means that as soon as the bill is handed over the credit will stand. It cannot come back. There can be no possibility of a third party intervening.

Mr. Jones was asked in regard to the stability of sterling exchange during the war period when Great Britain through Morgan's, New York, maintained the pound at $4.76½, Mr. Jones said there were many who wondered just how much it cost Britain to achieve this. It was done to save sterling exchange from dropping materially on account of the heavy purchases being made in the United States. He did not know whether Britain had lost more in maintaining sterling at this point than she would have, had she allowed sterling to drop and paid for her goods at the ruling price of exchange.

Getting Export Trade

"If you are interested in overseas trade on exportable surplus for any one season say so in your correspondence and do not give the foreign importer to understand that you are interested for all time,"

This was one of the statements emphasized by W. J. Egan, Canadian Government Trade Commissioner in South Africa, in addressing the class which numbers about 75. This course has been organized at the reequest of H. R. Poussette, Director of Commercial Intelligence Service, Ottawa, and is being conducted by W. J. Dunlop, director, University Extension, University of Toronto.

Mr. Egan said that many letters he received were useless, as they gave no ideas or information that would assist him in dealing with their case. One letter from a Canadian firm was read which exemplified the type necessary to secure proper service. The latter went into detail in asking information and in nearly every case when certain information was asked for, the policy of the firm was given. He said that quotations "F. O. R." were useless. "F. O. B." was the only way to give the foreign buyer any idea as to price, as he was not informed of distance the company's factory was from seaboard. The Canadian shipper should tell the Commissioner the sizes of the packages, which are the best sellers in Canada, which brands are the most popular, if he has more than one, what form of advertising has been used in Canada, the best selling season, what sized cases the goods are packed in, labels on the goods, value of the brand or trade mark in the estimation of the shipper. When small samples are sent a money order should be sent to the commissioner to clear them from the customs. Many times a long delay occurs getting the samples through and there is considerable further delay in getting the money through to pay for the customs tariff. Often as much as fourth months' time was lost by sending a poor letter.

The commissioner can readily tell from a letter whether the manufacturer is seriously interested in export trade or not and usually acts accordingly. He heard few complaints in South Africa against Canadian shippers. They take especially good care and in one case the manufacturer of a cereal food put an additional heavy paper around his food cartons to keep out vermin. This proved effective. He replied in answer to a question, there were very few complaints about Canadian manufacturers not maintaining quality of their goods from year to year.

QUEBEC AGAINST GOVERNMENT BANK

Individualism Opposed to Business Advice From Tax Collectors

From Our Own Correspondent.

MONTREAL.—At the annual meeting of La Banque d'Hochelaga this week, the general manager, Beaudry Leman, deprecated interference by the government with Canadian banks as a possible result of the coming revision of the Bank Act. On this subject he spoke as follows:

The Bank Act, it is stated, is not the opinion, in matters of banking, of a single man, or group of men, but reflects the matured experience of several successive generations of eminent statesmen and economists, who have repeatedly analyzed all the aspects of the banking problems in Canada and of the credit requirements of the country. New schemes and so-called modern methods will probably be suggested and those in favor of the State performing the functions of the merchant, of the railway carrier, of the steamship owner, may desire to realize the State Banker. Without presuming to decide the question, the Directors of the Banque d'Hochelaga believe, at least insofar as the people of the Province of Quebec are concerned, whose tendencies are strongly individualistic, that they would not take kindly to the idea of dealing with a Government employee acting in the double capacity of Tax Collector and Business Adviser. The Directors think that Banks, like all human institutions, partake to a large extent of the qualifications of those who direct their operations, and that the improvements to be incorporated in the Bank Act should be in the direction of bettering the services rendered by these institutions, while not paralyzing private initiative and drawing the State into experiments resulting in possible failures.

"We believe we are justified in stating that all the Banks will welcome all measures tending towards the sound and permanent welfare of the Canadian community."

STARVATION PERIOD IS FACING GERMANS

What Will People Do, Asks Mr. Jones of Bank of Commerce

What will happen in Germany during the period of two or three weeks following the time when the people of the country awake to find their money worthless; that they cannot buy anything and with starvation staring them in the face?

This question was asked by H. V. F. Jones, of the Bank of Commerce, in addressing the University Extension Course on Export Trade. He pointed to the steady decline in marks, a million of which could now be purchased for $90. Mr. Jones pictured the conditions, similar to those which Germany is facing, which led up to the French revolution. The people found their money worthless. It would not buy anything and they revolted.

Mr. Jones mentioned the condition in Russia, but he said the system there is to just go on increasing the denomination of the money. He wondered why they did not start all over again.

Discussing the disappearance of paper money, he mentioned the case of Mexico back in 1916. There were many kinds of paper money, issued by the various presidents. Some was of some value but most of it worthless. Suddenly the people turned and refused to use the paper money any more. They dug their silver and gold out of the dirt and have traded with silver and gold ever since, never having reverted to paper money.

LOWERING PULP BOARD DUTY

From Our Own Correspondent.

MONTREAL. — The Government has reduced the rate of duty on pulp board used for making wall board, from a 15 per cent. preferential and 25 per cent. intermediate and general tariff to a free entry for preferential and 5 cents for the other. This is done in order to head off a movement in the United States to impose a 25 per cent. duty on Canadian products as a countervailing duty. There is none of this imported into Canada but the item remained a part of the customs tariff.

FAILURE OF UNIT BANK OUT WEST HOLDS A LESSON

Strength of the Branch Bank System is Emphasized

The lesson of the failure of the Universal Securities Corporation at Outlook, Saskatchewan, as an indication of the fate of small unit banks during a period of local depression, has not been lost in Western Canada. This concern did a general banking business and paid a high rate of interest on deposits. It came to grief because of a situation in which there was little money for deposit and borrowers demanded renewals of their loans. The branch banks are facing similar conditions but they are able to continue their service because they can use their deposits from other parts of the country; bank loans in the West to-day are reported being considerably greater than deposits.

The following from the Moose Jaw Tiues indicates a realization of the situation:

A WESTERN CANADA BANKING EXPERIENCE

The experience of the Universal Securities Corporation, Limited, of Outlook, a banking and loaning institution which closed its doors on December 19, and has gone into voluntary liquidation is another reminder that small banking institutions with limited resources will not afford a solution to the banking problem of the prairie farmers.

For nine years Universal Securities did a general banking, loan and insurance business and also conducted an automobile business, with head office at Outlook and a branch at Glenside. During recent years loans to farmers have been made on which collections cannot be realized at present owing to crop failures. This caused a suspension of operations when the concern was able to show a surplus of assets over liabilities amounting to over $70,000. The Dominion Bank which had advanced a line of credit to $155,000, closed this when total credits reached $135,000, and demanded payment. The bank is fully secured.

This is almost the identical experience of the hundreds of small banks in the United States before President Wilson created the Federal Reserve Bank. These local banking corporations would organize, the shareholders putting up a small amount of capital. Under their charter they would receive deposits and borrow from the larger national banks, and with this shareholder-depositor-bank line combination of capital, they would set up a bank and loan out money. The system worked well when prosperity smiled; but when adversity came, the big backing banks on Wall Street always became nervous, and, even while well secured, demanded repayment of the advances, even when there was no imminent danger. This process developed disasters and banks went tumbling like rows of bricks set on end. To remedy this, money control was transferred from Wall Street to the Federal Reserve Bank at Washington, with power and authority to enlarge and sustain credit at the very point and under the very circumstances where it was before-time curtailed and weakened. This is done by enlarging financial resources at any part of the country where abnormal credit is needed to tide men over a period of temporary depression, or to take care of unusual business.

One trouble with our present banking system—strong and excellent though it may be—is that the very conditions which make credit necessary for the bank's clientele, operate in such a way as to compel the banks to curtail credit. This experience at Outlook is a case in point. Bad collections, owing to crop failurees in the Outlook district, resulted in the Dominion Bank closing out the line of credit that had been arranged for, even though the limit of that line had not been reached, at the very time when the institution, and the district it accommodated, needed credit maintained, if not even enlarged. Of course, if there was bad management on the part of the borrowing institution, or if the farming industry of the district is hopelessly involved, there is no alternative to failure and liquidation, and even a Federal Reserve Bank would not be justified in throwing good money after bad. But bad management is not charged, and there is no suggestion that the district is hopeless as a farming proposition, its trouble being due to a cycle of failures such as come to the very best agricultural countries.

The Canadian Banking Act is due for revision at the next session of Parliament, and this small experience at Outlook may prove of value as illustrating the conditions that developed in a large way in the United States and resulted in a large measure of democratic control of the savings of the people for banking accommodation for the people on the basis of security for the investor and funds for the borrower at reasonable rates of interest, available when and where credit is most needed to sustain industry.

ORGANIZE AT HALIFAX

An organization to be known as the Halifax Institute of Bankers has been formed by Halifax banking men. The objects are to promote education and other means of self improvement, discuss financial and economical questions, and Canadian bank affairs, assist in the work of a banker's course and promote social and athletic activities. The election of officers resulted as follows: Son. pres., D. Macgillivray; hon. vice-pres., A. E. Nash, F. St. C. Harris, H. A. Flemming; president, B. L. Mitchell; vice-president F. O. Robertson; secretary E. G. Grundy; treasurer, W. H. Burnrit.

BEAVER-CONIAGAS DEAL

Under the agreement with the Beaver by which the Coniagas will operate the former's Cobalt property, after actual mining and milling expenses are deducted, the profits are to be equally divided. The Coniagas is to also operate the Badger and Prince Davis properties for the Beaver and pay the latter company 10 per cent. of the net profits from these properties.

SMOKE
OLD CHUM
The Tobacco of Quality
½ LB. TINS
and in packages

BALANCE SHEET OF THE
TORONTO MORTGAGE COMPANY
For the Year Ending 31st December, 1922

ASSETS

Office Premises in Toronto Street, unencumbered		$ 45.000.00
Real Estate held for sale		none
Mortgages at face value, less provision for possible depreciation—		
Principal	$1,734.301.16	
Interest due	1,763.68	
		1,736,064.84
Loans on Stocks and Bonds		102,881.57
British 5% War Loan Bonds (£15,000)		72,817.49
Dominion of Canada and Provinces of Canada Securities		530,123.23
Canadian Municipalities & School District Debentures		607,875.32
Other Bonds and Debentures		57.275 78
Stocks fully paid up		58,200.00
Cash in Chartered Banks		84,800 43
Cash in Office		3,166.09
Total		$3,297.904.81

LIABILITIES

To the Public		
Debentures Sterling—(£292,096 7s 7d)	$1.421,535.58	
Debs. Currency	236,867.65	
Deposits, Sav. Acc.	88,685.70	
Accrued Int. on Deb.	17.960.28	
Reserved for Acc'd. Income Taxes	10,435.37	
		$1,775,484.58
To the Shareholders		
Capital Stock Subscribed—$724,550.00		
Capital Stock fully paid	$724,550.00	
Reserve Fund	725,000.00	
Unclaimed Dividends	150.75	
Dividend declared and unpaid, due 1st January, 1923	18,113.75	
Profit and Loss Acct., Bal. carried f'rw'rd	54.605.73	
		$1,552,420.23
Total		$3,297,904.81

PROFIT AND LOSS ACCOUNT

Dr.

Interest (at par of Exchange) on Sterling Debentures paid and accrued	$77,004.77
Interest on Currency Debentures paid and accrued	12,802.59
Interest on Deposits	3,054.04
Charges on moneys borrowed and lent	7.155.78
Cost of management, viz.: Salaries, Directors' and Auditors' fees. Office Rent, etc.	24,626.08
Dominion, Provincial and Municipal Taxes, etc.	10,550.04
Dividends on Capital Stock at 10%	72.455.00
Balance carried forward	54,605.73
Total	$262,254.03

Cr.

Balance brought forward	$38.774.37
Interest on Investments, and Net Rental from Office Premises	223,479.66
Total	$262.254.03

W. GILLESPIE, Manager. W. FRANCIS, President.

Points worthy of special note are:—
No real estate held for sale
Over 99% of the year's revenue collected in cash.
87% of all liabilities to the public secured by liquid assets.

Announcement

I am glad to be able to announce to the shareholders of Clifton Porcupine Mines, Limited, that a quarter of a million shares of the Treasury stock of the Company have just been underwritten by a Toronto financial syndicate at 30c per share.

The Treasury will thus be provided with $75,000 of new capital.

Clifton Porcupine is now assured of immediate development at depth, where diamond drilling has indicated the usual extensive and rich Porcupine ore-bodies will be encountered. It means the early realization of the hopes of the management that Clifton Porcupine may become one of Ontario's gold mines of first importance.

At present prices, around 25c, Clifton Porcupine is, in my opinion, a real mining bargain, one that should quickly reflect the improved financial situation by selling back to, if not above, its recent high of 45c per share.

I do not hesitate to recommend the immediate purchase of Clifton Porcupine shares.

Bank of Hamilton Bldg. (Signed)
Toronto *Homer L. Gibson*
January 12, 1923

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

President - - - JOHN BAYNE MACLEAN
Vice-President - - - HORACE T. HUNTER
Manager - - - GORDON RUTLEDGE
Editor - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is declined which has a tendency to mislead or which does not conform to business integrity. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration for any item.

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Great Britain, Ireland, and Colonies, having minimum postal rates	£1	1s.	6d.
France and other Countries	£1	7s.	6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY

The MacLean Publishing Company, Limited

143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury Street, M. Foster; WINNIPEG, 810 Confederation Life Building, W. A. Bover; VANCOUVER, 501 Carter-Cotton Building, Ray Hunter; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (corner 26th Street), A. R. Lowe; CHICAGO, 403 Transportation Building; CLEVELAND, 1261 East 99th St., W. L. Gifford; GREAT BRITAIN— London, The MacLean Co., of Great Britain, Ltd., 88 Fleet St., E. C., R. J. Dodd, director.

The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JANUARY 19, 1923

ELECTRIC RAILWAY FAILURES

DURING 1922 fourteen electric railways went into receivership in the United States—and that was the smallest number in any year since 1909, except 1910, when eleven roads failed, and 1914, when the number was 10, according to the Electric Railway Journal.

These figures indicate a situation in the electric railway industry which would make it nothing short of an economic blunder to plunge Ontario, already over-railroaded and burdened with taxes to pay deficits on the National system, into the expenditure of a hundred millions of dollars or so to build radials to compete with steam lines and automobile transfer companies for the short haul business.

With the revelations of the report of the Sutherland Commission there has been a growing opinion against Sir Adam Beck's scheme and this has led to the favorable reception of the proposal of Sir Henry Thornton to electrify existing lines where it is good business to do so.

BUSINESS SENSE IN NATIONAL DEFENSE

CANADA has just put her whole defence force under one director and thus sets an example of practical administration and good business common-sense to the Imperial authorities. This is one lesson Canada learned from the war. The British politicians learned it and tried to carry it out, but there are so many personal, political and family interests to serve that would suffer by an intelligent amalgamation that it has been stopped.

As a matter of fact, when a report was made some time before the war on the reorganization of the British defence system, General Sir Ian Hamilton, who has displayed a broader and more practical grasp of the great Imperial military problems than any other man in the Empire, and the courage to recommend them, strongly urged it. During the war when the practical men saw the absolute necessity of there being one directing head to the fighting forces, an effort was made to bring them together but the usual selfish influence worked against it. The result was, as official reports have shown, that on a number of occasions the Empire suffered severely. The Gallipoli failure was one of these. It was regarded as a naval demonstration and the military authorities refused to co-operate as they would have been compelled to do under a directing head. It is now quite evident that had they been under one head our forces could easily have won and the war would have been brought to a close many months earlier.

WHY NOT TRY BETTER FARMING, TOO?

REPORTS from the elevators indicate that the 1922 crop of Western Canada, the greatest in the history of the country, is also the dirtiest. It is conservatively estimated that the farmers will pay the railroads over $5 000 000 for the transportation of weed seeds and other comparatively useless products.

The dockage on cars is estimated by elevator men at Fort William at four per cent., which runs into a terrific figure and is that much deadweight on the producers' shoulders.

Of the 188,510.061 bushels of grain hauled to the twin ports during the fall rush, four per cent. would mean seven and a half million bushels or 380,000,000 pounds, the equivalent of about 4,400 cars already at $300 per car hauling average. It means the transportation companies had to provide 100 trains to haul dockage from farm to market.

The Western farmers are crying out that excessive lake rates have robbed them of the benefits of the reduction in rail charges—and they have general sympathy on that point. They will have wide support in any demands which will give promise of reducing transportation costs, developing new outlets or improving marketing facilities to the end of increasing their margin of profit—so long as they do not expect to obtain advantages at the expense of other classes in the community who have to bear the cost in taxes of paternalistic experiments.

But while so many plans are being discussed to help the farmer increase his profits would it not be a good thing for the farmer himself to improve his methods so that millions of dollars will not be lost in transportation charges on weeds and dirt?

SHAREHOLDERS AS ADVERTISERS

ONE OF the marked features of British industry is its stability. British manufacturers and British financiers are universally given credit for their perspective; they build on a solid business foundation and they are satisfied with profits eventually if they can't have them now. But frequently there are also evidences that the British executives display remarkably intelligent psychology in their relations with both their shareholders and the public.

At the annual meeting of the Castlefield Rubber Estate, Limited, held recently in London, W. Arthur Addinsell, chairman, referred quite candidly to the propaganda being conducted by the Rubber Growers' Association to educate the public regarding the sources of rubber and its many uses; a booklet entitled "Rubber" had been issued with the following message to rubber shareholders:

"Use this book yourself, and use your influence to get others to use it, because it is useful. It performs two functions. It helps to extend the use of rubber articles; it also enhances the value of your rubber investments. Remember, the more rubber articles that are brought into general use, the greater the demand for the raw plantation product."

Mr. Addinsell expressed the hope that the shareholders of this company would do their best to assist in maintaining the better outlook being faced in the industry.

The shareholders in every company are interested in its success and that means that they are concerned with the marketing of the products or service. Their influence as a factor in securing good will as well as actual business can be made an important factor in the company's success.

INFORMATION FOR BONDHOLDERS

INVESTORS will find the annual report of the Saskatchewan department of municipal affairs a very valuable document. From it the present position of any Saskatchewan municipality, large or small, can be ascertained at a glance. Most complete figures are given, carefully tabulated and analyzed, and the report sets a standard that every other province in Canada might well follow.

The need for adequate municipal statistics has long been felt in Canada. Economic writers, investment bankers, investors and municipal experts have been at sea in attempting to make comparisons based upon municipal statistics. Saskatchewan has taken the lead in compiling and presenting such statistics. In the course of years the work will be more and more valuable.

There is a distinct flavor of timeliness to this report, for the figures are as at April 30 last, a comparatively recent date considering the average lateness of governmental reports. The work reflects credit upon Premier Dunning and Minister of Municipal Affairs, C. M. Hamilton, as well as upon the very able deputy minister, J. J. Smith.

WHEN BIG BUSINESS FAILS

AN OLD British manufacturing concern recently found itself in difficulties of a character which made it advisable to sell out to a competitor. In business circles in England the failure is laid to the "colossal vanity" of the head of the concern who tried to become an industrial king by absorbing smaller companies and trying to run the whole thing single-handedly.

This managing-director was not only an autocrat in his own organization but had little respect for the ethics of good business in his dealings with others. He seemed to think it necessary to haggle over every proposition put before him; he gloried in getting the best of a deal. He never accepted a proposition as it came to him without trying to whittle it down. The result was that this trait became recognized to the extent that a trading margin was allowed by many who dealt with him and after the whittling down which was his idea of a good bargain he often paid more than the actual market.

Then, too, the autocratic control had the effect of discouraging initiative and preventing the development of those business lieutenants so necessary to the administration of an expanding business. He surrounded himself with a lot of bright but inexperienced retainers and few efficient officers.

People often wonder how some of the mammoth industries with their immense organizations are managed. This English failure indicates how it should not be done. The successful executive head does not try to do everything himself. His job is to split up the work in such a manner that good men are placed at the head of various departments, deputing that responsibility which encourages initiative but holding them to a strict accounting with regard to results.

EDITORIAL NOTES

JOHN EVANS, Progressive, of Saskatoon, who wants a government bank, is also a strong advocate of a government wheat market. John Evans' faith in the government is a beautiful thing, like a child's faith in Santa Claus. Sooner or later, however, he may begin to wonder who is to pay for the presents which he expects the government to put in his stocking.

* * * *

ALTHOUGH Hon. T. A. Crearar has given up his party leadership at Ottawa to devote himself more closely to the affairs of the United Grain Growers, Limited, he will retain his seat in the House. This is good news. Sane, sound men of the Crerar type can do big things for Canadian agriculture through their influence in public affairs. Agriculture like any other industry should be represented by strong practical men at the capital.

* * * *

IT IS A MISTAKE to suppose that the farmers were the only ones who lost by the decline of wheat. Practically everybody who handled any of the 1920 crop of wheat without hedging lost money on it. It is true that some speculators made money by selling short, but whatever they sold somebody else bought—whatever they made somebody else lost—and in that case presumably it was not the farmers.

* * * *

SIR HENRY THORNTON has set down the policy of the government railways as: "To do the maximum amount of good for the maximum number of people." There will be no opposition to the building of branch lines by the Canadian Pacific or other competitors if it is in the public interest. How different from the dog-in-the-manger policy of Sir Adam Beck, who has used his Hydro organization in a political way to crush all private competitors and prevent the development of water powers until he is prepared to use them himself.

* * * *

A HIGH STANDARD of service can only be maintained by a public service or other corporation by proper training of the employees who come in contact with the public. The educational committee of the American Asssociation of Electric Railways has just issued a call for co-operation in its work. The request is made for the appointment of some man on each property who will specialize in the employee-training problem of his own company . The committee proposes a definite service according to the needs of the individual property.

* * * *

WHEN THE Gregory Commission went to Windsor to investigate the complaints about the radial service under Hydro administration, the reports of the pro-Hydro press tried to show that they had been all but run out of town for daring to interfere with the boss rule of Sir Adam Beck. However, we note that when Ald. Mitchell tried to get the council to consider a resolution reproving the government for sending the commission to Windsor he was forced to withdraw it in the face of what even the Toronto Globe admits was "almost unanimous opposition."

Why We Should Trouble Ourselves About Europe

Canada's Prosperity is More Affected by Old-World Economic Conditions Than by Any Possible Tariff or Transport Changes

By HON. NEWTON W. ROWELL, K. C.

The first question some will ask is: "What interest has Canada in reparations?" I am not now speaking of any incidental sum which we might receive by way of reparations, if Germany pays, but of the larger issues which are now developing. Men can understand how deeply interested the farmers of Western Canada, the manufacturers of Eastern Canada and the business men from one end of the country to the other are in the tariff and in questions of transportation,—but they ask: "What is our immediate and vital interest in the question of reparations?" Important as are the questions of tariff and transportation today to the farmers of Western Canada and the business men of the East, Canada's prosperity is much more vitally affected by the economic condition of Europe than it is by any possible changes in the tariff and in transportation charges combined.

The two basic commodities—at least they have been so generally regarded—affecting prices and price levels, so far as this continent is concerned, are wheat and iron—wheat because of its relation to all kinds of foodstuffs, and iron because of its relation to all manufactured products into which iron enters.

The situation to day is that while the price of iron has gone down substantially since the war, it is still materially higher than pre-war levels, and so are the manufactured products into which iron enters. On the other hand, the price of wheat has gone down to practically the pre-war level, while the costs of production and transportation are still substantially higher than the pre-war costs, and as a result the Western farmer, notwithstanding his magnificent crop, is not substantially ahead on the year's operations. Why should the price of wheat be so low? Our production of wheat is part of the world's production; our trade is part of the world's trade; and the price of wheat to the Western farmer is not settled by the demand for Canadian consumption, the price is settled by the demand in the world's market. It is our surplus for export that determines the price.

Germany needs from 100,000,000 to 200,000,000 bushels of wheat. She urgently needs that amount for her population. Other countries in Europe are in need of an amount of wheat which they cannot possibly purchase, not because they do not need it, but because the exchange situation is such that they cannot pay for it.

The cost of a bushel of wheat at the present Canadian price laid down at Rotterdam would be $1.50 in Canadian money. At pre-war rates of exchange that would be approximately six marks. If you take the rate of exchange after the failure of the Conference in Paris became known, it would require 12,000 German marks to buy one bushel of Canadian wheat at Rotterdam. Now, under those conditions, how can Germany buy the amount of Canadian wheat she needs? A year ago you could have bought that bushel of wheat at between 200 and 300 marks. Just a year ago! That shows the way the mark has been falling during the past year; it indicates the complete breakdown of international exchange.

Now the point I wish to emphasize is: that if Europe were in a position to purchase the wheat she needs, the farmers of Western Canada would be receiving a very much higher price for their wheat than they are now receiving. One can only hazard a guess as to what that increased price might be, but I have discussed the matter with some who try to study these questions and it has been suggested to me that if Europe were in a financial position to buy our grain, having regard to the prices of other commodities, that wheat today instead of being 85 cents a bushel would probably be from $1.20 to $1.25 a bushel. What would that mean on the Western wheat crop alone? An additional $150,000.000 going into the pockets of the Western farmers. What would that mean to the manufacturers and business men of Eastern Canada?

When people ask, "Why should we trouble ourselves about these matters in Europe; why should we not confine ourselves to our own domestic problems? Have we not problems large enough at home?" we may answer: "Yes. But the world has become one great unit—one great family—and that which might have been a purely international problem fifty or even twenty-five years ago has really become a domestic as well as an international problem today."

The second proposition that I wish to submit to you is: that the reparations question lies at the very basis of the present economic situation in Europe. You cannot have economic rehabilitation and economic stability in Europe until some solution is found of the reparations problem. So long as the greatest industrial country on the continent of Europe is in a state of financial chaos and faces economic collapse, you cannot have economic stability. All admit that German finances cannot be put upon a stable basis until the reparation question is settled.

For the past two years Great Britain and France have been gradually and steadily drifting apart on the policy to be pursued on the question of reparations, until they now frankly confess that agreement is impossible and they have agreed to disagree. One frequently hears the expression: "Well I sympathize with the French position on this matter." And some ask: "Is it true that England is looking at this problem from a purely commercial point of view? Should she not back up France more than she is doing?" Let us consider for a moment the British position. Great Britain is what she is today in population and industry by reason of the enormous export trade which she has developed in the past hundred years. Great Britain cannot possibly support her population without an enormous export trade. If her export trade is not to be restored to something like pre-war condition, then not only thousands and hundreds of thousands but millions of her people must leave her shores and seek homes elsewhere. This export trade has been so largely cut into by the economic situation in Europe that Great Britain has suffered from unemployment as not one of the other allied countries has suffered, and it is a matter of life and death to millions of the British people that British trade should be restored and put on something like pre-war levels. Therefore, it is no wonder that that is a factor considered by British statesmen in dealing with these problems.

On the question of reparations, the Allies first took the position that Germany should be required to pay the whole cost of the war. It was an indefensible position. Let us frankly admit it. It was contrary to the terms upon which Germany had laid down her arms. Subsequently the Allies persuaded President Wilson, contrary to the advice of his own experts and legal advisers, that they were entitled to include under the category of compensation to the civilian population, pensions and separation allowances. Pensions and separation allowances undoubtedly formed part of the direct costs of the war, and I have never been able to see how we could possibly include these items under damages to the civilian population.

The question of inter-allied debts has now become inseparably associated with that of reparations. and this fact should not be lost sight of in endeavoring to arrive at an understanding of the present situation and of its possible solution. None of the European nations have faced the problem of taxation to meet the cost of the war, either during or since the war, as courageously as Great Britain, and no nation has imposed and collected such heavy taxes. One result of this heroic course is that the British Government is in the strongest financial position of any government in Europe. But the Government is strong at the expense of the British taxpayers. Other governments are financially weak and in an embarrassed financial position, but the money is in the pockets of their citizens. The British Prime Minister Mr. Bonar Law, recently stated that this heavy taxation—the drawing of such immense sums from industry—had prevented development and greatly contributed to unemployment

I shall not attempt to discuss what Germany should pay or can pay, or what time should be given to pay it: these are questions for experts to settle. The difference between Great Britain and France is more fundamental than amounts or dates for payment. Great Britain, looking out upon the European and world situation, says: "The determining consideration in dealing with reparations must be: how can we secure from Germany the largest amount she can pay, consistent with securing the economic rehabilitation of Europe?" In other words, the cardinal principle underlying British policy is the economic rehabilitation of Europe. On the other hand, the principle underlying the French policy is "How much can we force Germany to pay, no matter what the consequences may be? Somebody must pay: Germany brought on the war and she must pay." It is difficult to see how any thoughtful man, looking at the larger interests, not of the British Empire alone but of humanity and of the future peace and prosperity of Europe can come to any other conclusion than that the broad lines of British policy are right, and that we should support a policy which will make possible the economic rehabilitation of Europe.

I wish to say that, taking the Government and people together, during the whole period of the war no nation faced the situation with greater courage, greater unanimity, greater self-sacrifice, or made a larger contribution to the final issue than did Great Britain. I believe that the British nation today is the only one among the great powers which has given evidence that she thoroughly understands and appreciates the economic and political situation of Europe, and is at the same time doing her best to meet the situation and to help the world back to the paths of peace and progress. It may be that our neighbors to the south have understood the situation, but they have not seen their way clear to co-operate in meeting it.

What of the future? The difficulty facing Germany in paying reparations is two-fold. How can any country pay her foreign obligations? She can pay in one of two ways, either by the export of gold or of commodities. Now Germany has not the gold to pay. Even if she exported every gold mark she has it would only be a fraction of the total reparations. As to the export of commodities: she is exporting some, but the trouble is none of the allied countries wish to increase their imports from Germany.

The other day Mr. Hughes, secretary of state of the United States, made a very interesting proposition, which he communicated to the governments interested. He said, if the Allies were unable to agree on the question of reparations, and how much Germany could pay, he would suggest that an independent commission of financiers and experts of international reputation and standing should be appointed to investigate conditions in Germany, to ascertain how much Germany could pay and to report their findings to the governments concerned. He said the governments need not pledge themselves to accept these findings beforehand, but their report should at least aid in arriving at an understanding as to what Germany is able to pay, and he believed that an American financier would be prepared to act on this commission. Whether the proposal will be accepted or not one does not know, but one sees very little hope of a settlement of this issue unless the great American nation is prepared to co-operate and to take some measure of responsibility in order to help the world out of its present position. This advance from the United States should be welcomed.

Canada's substantial claim to a share in the reparations is based on the inclusion of pensions and separation allowances in the Treaty of Versailles. Canada should relinquish all claims under these heads, as they are not covered by the agreement under which Germany laid down her arms, and should not be included in the Treaty.

Canada should also stand for the settlement, by an impartial international commission, of the amount Germany should pay and of the terms and conditions of payment. Canada should stand for a policy which would aid in bringing about the economic rehabilitation of Europe and promote the spirit of co-operation and peace.

In opening I spoke of Canada's interest in the question of reparations, but Canada has a greater interest in the economic rehabilitation and peace of Europe than any possible effect Europe's present condition may have upon our immediate economic interests. Canada's contribution to the last war was an investment in the cause of peace—the greatest investment Canada ever made. Peace can only be secured and preserved by fair and honorable co-operation among all nations which believe in justice and in peace. We have maintained our co-operation in international affairs since the war. We must continue to do so. We became members of the League of Nations; we have taken an active part in the meetings of the Assembly at Geneva. Whether we welcome or regret our present position, Canada has swung out into the larger currents of the world's life, not only in trade, commerce and finance, but also in our relations with other nations. We are a nation among the nations of the world, while still a loyal member of the British Commonwealth.

Personals

A. O. DAWSON who is probably best known in industrial and financial circles as vice-president and managing director of Canadian Cottons, has been added to the Board of Directors of the Crown Trust Co., Montreal. Mr. Dawson is also president of Canadian Woollens, of Belding Corticelli, and of Interprovincial Brick Co., and is also a director of the Manitoba Land and Timber Co. and D. Morrice Co. One year ago he was elected a member of the Council of the Montreal Board of Trade. Mr. Dawson is also prominently known for religious and philanthropic work in Montreal.

J. ORR CALLAGHAN, who has been manager of the Canada Works Steel Company of Canada, Ltd., Hamilton, and was originally connected with the Ontario Tack Company and later with the Canada Screw Company and then with the Steel Company of Canada, when the amalgamation took place, retired at the end of the year. At a sales conference dinner held in Montreal last week he was presented with a sterling silver tray suitably inscribed from the executive and staff of the Steel Company of Canada, Mr. Robert Hobson making the presentation. Mr. Callaghan has been prominent in civic and church work as well as being a school trustee for a number of years and for a period was license commissioner. With Mrs. Callaghan he leaves on January 24th for a trip around the world.

FREDERICK GEORGE COPE, the late secretary of the Sun Life Assurance Co., who died at the age of 52 years, was born in Toronto October 4, 1870, and started his business life as a stenographer with the Canadian Pacific Railway Co. At the age of 19 he joined the Sun Life as stenographer to the president. In 1894 he was transferred to Toronto as cashier for the Hamilton, London and Toronto districts, and two years later was moved to Philadelphia. In 1898, however, he returned to the Head Office in Montreal as chief clerk in the Agency Department. Promotion was given him shortly afterwards as Assistant to the Superintendent of Agencies, and he took full charge of that department in 1902. Six years later he became Assistant Secretary and in 1916 was given the responsible position which he held until his death.

C. B. McNAUGHT, who has been made a director of the Royal Bank of Canada, is one of the younger generation of business executives and financiers who has been rapidly widening his circle of activities in recent years. As president of the City Dairy Company, he played an important part in bringing that company through an unsettled and trying period. He is president of the Sterling Coal Company, president of the Conger Lehigh Coal Company, and president of the Consolidated Optical Company. His vocation is insurance and he is a member of the insurance brokerage firm of Reed, Shaw and McNaught, Toronto. Mr. McNaught is a Toronto boy, born and educated in the Queen City and starting his business career here in the insurance business. In addition to his own affairs Mr. McNaught has taken an active interest in public business, particularly during the war; he was a member of the War Trade board and of the Canadian Trade Commission.

INVESTMENT STOCKTAKING TIME

Practically no investment problem is ever solved to stay solved. Conditions are constantly changing. The investments which suited conditions exactly at one time may be quite or entirely unsuited at a later date. Some securities may have had substantial advances and make it worth the investor's while to exchange them for other securities which may be temporarily low in price and give correspondingly high yields. Then, too, early maturing securities may oftentimes be exchanged to good advantage.

Do a little stocktaking. See that all securities are properly recorded; see that the securities held are completely satisfactory and see that the desirability of exchanges for higher yielding securities and securities of longer term are not overlooked. Idle or available funds should be promptly put to work.

We invite inquiries on all investment problems. Copy of January Investment List sent on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CANADA STEAMSHIPS PREFERRED

Subscriber, Forest, Ont.—Would be pleased to receive any information you may have regarding the standing of Canada Steamships preferred. We understand they have not paid any dividends on this stock in the past year; what are the prospects of their resuming dividends? Any information you may be able to give us would be very much appreciated.

The preferred dividend on Canada Steamships Lines was passed for the quarter ending March 31, 1922, and has not been paid since. We have no definite information as to when the directors feel that this dividend of 7 per cent. can be resumed, but we would judge that there is hardly much likelihood of action being taken during the present year. There appears to be a feeling that the financial position of the Company must be strengthened before dividends can be resumed.

A few days ago a statement was given by the President, Mr. Coverdale, covering earnings of the Company for the eleven months ending November 30, 1922, showing the total to be slightly under $1,800,000. This covered about three times the amount of the bond interest required, but it is impossible for anyone yet to determine whether the preferred dividend was earned during the year 1922 or not. This will depend on what amount is set aside for depreciation. For the year 1921 the new management wrote off nearly $4,000,000 for depreciation on ocean vessels alone and large sums for other purposes. It may be that it will be decided to allow for heavy depreciation this last year as well and if so the preferred dividend will not have been earned, requiring as it does the sum of $875,000 per annum. Another element in the balance sheet of the Company that we understand the directors view seriously is the item of $8,424,646 which stands as the value of leases, contracts and goodwill. This, we understand, is considered a much larger item than it should be from a conservative point of view.

So far as the Company's earnings during the past season were concerned the strike in the United States cut down the amount of coal carried below the normal by hundreds of thousands of tons. On the other hand there was a large additional quantity of grain that was transported and this should make up to a considerable extent for the loss in the coal item. The president has announced that the Annual Statement will be ready about the second week in February and it is probable that no definite information will be made public in regard to the exact standing of the Company for the year until that time.

MEXICAN ELECTRIC

P. B., Toronto.—I hold a deposit receipt $500 for bonds of the Mexican Electric Light Co., deposited with the Committee of Protection and would appreciate your opinion as to the possibility of the bondholders being paid the accumulated interest and what the future is for them.

On presentation of the receipt to the depository your bond can be immediately recovered. Likely in your case the depository will be the Bank of Commerce, but you doubtless know where it is. You will also have the pleasant surprise when you get it of being able to cash all the coupons due, except one. In other words, your bond will have coupons from 19 onward attached. You may cash all these, 19 to 35 inclusive, except No. 31. This one is not payable until June 1 of this year. The other coupons will be paid as they fall due. By presenting your bond at the office of the company, Dominion Bank building, Yonge and King Street, you may have your bond endorsed, extending the date of maturity for seven years.

ENSIGN AND BALOISE INSURANCE

Reader, Weyburn.—I would appreciate information as to the standing of the Ensign Insurance Company of Toronto, and the Canadian underwriters of the Baloise Fire Insurance Company, also the amount of their government deposits.

The Ensign Insurance Co. of Toronto carries on a fire insurance business. R. F. Massie is referred to by the government report as being the vice-president. The deposit with the federal government is $100,000 of Dominion of Canada bonds, which were accepted at a valuation of $99,000.

The Baloise Insurance Company also handling fire risks, is represented by A. S. Matthews, Vancouver, as general agent. This company has $50,600 in Dominion of Canada bonds on deposit, accepted at a valuation of $50,194.

The financial standing of the companies has not as yet been published. It will likely appear in the annual insurance report, due in a couple of months.

KING EDWARD CONSTRUCTION

Reader, Saskatchewan.—Would you consider dividends of King Edward Construction preferred and common safe? The wording of the agreement of the lease leads one to believe they are, but on the other hand the two companies appear to be the same; because of this, do you think there is any danger in the event of poor business or complications arising to the loss of the shareholders.

The King Edward Hotel has not been operating its new wing long enough to tell exactly how it will work out as a revenue producer. There are of course always dangers of such complications as you mention, but the terms of the lease between the King Edward Hotel and the King Edward Construction Company would seem to indicate that the interest on King Edward Construction preferred and common must rate ahead of any dividends on King Edward Hotel stock itself and on this basis the dividends appear to be reasonably assured. The preferred is guaranteed by the United Hotels Company which makes it a practical certainty.

WEST SHINING TREE

Reader, Smooth Rock Falls.—I will be glad of your opinion on the proposed merger in the West Shining Tree district whereby the Shining Tree Consolidated Mines, propose to take over some 29 odd claims and also offer their shares for certain shares of other mining companies such as: 1 share S. T. Consolidated for 2 shares Atlas; 1 share for 2 shares of Buckingham; 1 share for 4 of Algonquin and 1 share for 4 of Wasapika. There are several others mentioned but these are the ones I am most interested in. Is it good policy to exchange these shares for Consolidated or better to hold them as they are?

In last week's issue THE FINANCIAL POST reviewed at some length the consolidation in Shining Tree. Little is known of the 29 claims. As for the consolidation, proposal to trade one of its shares for 2, 3 and 4 shares of the other looks like an easy way for the Consolidation to get hold of some cheap stock, as some of the properties in question have merit as mining propositions if properly handled. As for the four companies you mention, they have been active stock issues. Some mining had been carried on. The Wasapika is now controlled by the Ribble Mines, which company is making a legitimate mining effort. A holder of Wasapika stock, interested in mining, should transfer into the Ribble company. It may be that in the end the Consolidated stock will be as good as the other three. One guess is as good as another. The Shining Tree district is now a mining area of promise. There are a couple of operations in the camp now that seem well on the road to make producing mines. Better get last week's copy of THE FINANCIAL POST. There will be found a comparative value of the different stocks involved.

GERMAN GOVERNMENT BONDS

S., Collingwood.—I have been reading considerable in your paper concerning German marks and I am not quite clear as to your opinion on German Government and City of Berlin bonds.

There is a Montreal firm, C. M. Cordrasco & Co., quoting 10,000 marks Government bond at $12.50 while another firm is quoting the same bond for $3.00 I know even the latter quotation is high in comparison with marks as quoted in daily papers. I would be pleased to know if you think these bonds will ever be of value even after the disappearance of the mark which looks near according to your issue of Dec. 29.

Your letter mentions the fact that a quotation of even $3 for a 10,000 mark government bond is high in comparison with the current price of marks. On the basis of exchange, without allowing of course anything for charges or profits for the firm dealing in the bonds, and taking the bonds at par the value of a 10,000 mark bond would be only $1 compared with a charge made by Cordasco & Co., the Montreal firm, of $12.50.

So far as the disposition of these bonds after the mark disappears, if it does, as the recognized basis of currency, we would not care to venture an opinion for we do not think that anyone has reached any conclusion as to the future position of these bonds or those of the various municipal bonds that are being offered throughout the world. Whether the government will be in a position to give any preferential treatment to holders of government bonds when they mature is a matter of great doubt and in any case it would appear that the interest charges could only be paid at the current rate. What action a municipality may take in reference to holders of its bonds at maturity is also a matter that no one probably is in a position even to venture a fair opinion of at the present time. We feel, then, that under present conditions it would be unsafe for you to consider either government bonds or municipal bonds of Germany on any other footing than their currency. Nor have we heard any suggestion of the possibility of a better offer to holders of marks in exchange for any new stabilized currency that may be inaugurated than about one two thousand five hundredth part of the normal value, which is a little below the present price of the mark. When you are buying anything connected with marks you should keep in mind the fact that by the end of 1922 German currency had been increased to one trillion marks, that is one thousand billion or one million million. The amount is so colossal that any claims of the firm mentioned or others that there will be any return to a fair percentage of the normal value of the mark is not only ridiculous but most misleading to investors.

SUN LIFE'S TOTAL

The total new business made by the Sun Life in 1922 is reported at $107,000,000. Included was $7,000,000 group insurance.

A Forecast for 1923

The probable tendency of prices for bonds and high-grade stocks with the reasons—in the new Greenshields Review.

Write for a copy.

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Dealers in Canadian Bond issues.
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New Issue

$750,000
The Donnacona Paper Company, Limited
6% First (Closed) Mortgage Sinking Fund Gold Bonds

Maturing June 1st, 1940. Principal and interest payable at Montreal, New York or Utica, N.Y. Coupon Bonds of $1,000, with privilege of registration of principal. Redeemable at 105 and interest. Trust Deed provides annual Sinking Fund for the retirement of Bonds of this issue, which will redeem at least 50% of Bonds outstanding by maturity. Trustee—The Royal Trust Company.

CAPITALIZATION

	Authorized	Outstanding
Common Shares (paying 8%)	$1,500,000	$1,500,000
7% Cumulative Preferred Shares . . .	2,000,000	
Less: Sinking Fund	204,000	1,796,000
6% First (Closed) Mortgage Bonds . .	$3,000,000	
Less: Sinking Fund	44,500	2,955,500

THE COMPANY

The Donnacona Paper Company, Limited, operates successfully a large newsprint paper mill at Donnacona, Que., at the junction of the Jacques Cartier and St. Lawrence Rivers.

Present annual output 42,000 tons groundwood pulp and 18,000 tons news sulphite pulp, used in the annual production of 30,000 tons newsprint paper.

Proceeds of these Bonds will be used to complete construction by January 1st, 1924, increasing output of newsprint paper to 60,000 tons per annum.

SECURITY FOR BONDS

Bonds are a first mortgage on mill properties (including new construction), timber limits, water powers, etc., having a total value of $6,785,338, equivalent to over $2,300 per $1,000 Bond.

Company's freehold and leasehold timber lands, situated adjacent to the Jacques Cartier and St. Lawrence Rivers, aggregate 595,440 acres and contain approximately 4,525,000 cords of spruce pulpwood.

Water powers owned by the Company have a capacity of 24,000 h.p., of which 7,000 h.p. is in operation.

Net working capital, after deducting current liabilities, as at November 30th, 1922, without including the proceeds of this issue, $1,670,202, equivalent to over $560 per $1,000 Bond.

EARNINGS

Certified annual net earnings, available for interest, etc., three years 1919 to 1921 inclusive, were $1,128,310, over six times Bond interest requirements.

Net earnings for year ended December 31st, 1922 (December estimated), available for interest, etc., are estimated to be not less than $800,000, as compared with annual Bond interest of $177,330.

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The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

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Investors' Inquiries Coupon

It having been found impossible to give the desired attention to inquiries regarding investments being received in increasing volume from the public, The Financial Post finds it necessary to confine this service to regular readers who are asked to attach this coupon to their request for information.

INFORMATION DESIRED

The undersigned desires information or advice in accordance with the attached inquiry:

Name ....

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NEWS AND VIEWS ABOUT BONDS

ST. JOHN SOLID AGAINST POWER ARBITRATION

Bond Dealers Again Protest Against Stand On Plant Purchase

From Our Own Correspondent.

ST. JOHN.—R. D. Bell of Montreal, chairman of the public utilities and industrial finance committee of the Bond Dealers' Association of Canada, and E. G. Long, K. C., of Toronto, counsel of the Bond Dealers' Association of Canada, spent two days in New Brunswick. In St. John they were joined by H. R. Hayes of New York, chairman of the public service securities committee of the Investment Bankers' Association of America, and O. B. Wilcox, of New York, counsel for that body, and by E. M. Sanderson, of New York City, of Sanderson and Porter, operators of public utilities, and who are operating the New Brunswick Power Company.

Messrs. Bell, Long, Hayes, Wilcox, and Sanderson, appeared as a delegation before the mayor and city council of St. John, and the premier and government of New Brunswick, in protest against the non-arbitration attitude of the city council of St. John, in the dispute with the New Brunswick Power Company. Members of the St. John city council reiterated opposition to arbitration, stating that the city was at a disadvantage in arbitration. However, two of the members of the council declared the company should be offered more than what the city council stipulated as the maximum, to wit, $2,577,665. They stated, the price should be as set by the legislature, namely $3,100,000.

The members of the delegation spoke individually against the non-arbitration clause. They stated St. John would be harmed exceedingly by the hostile attitude to corporations, and that St. John's bonds would go begging on the market. The word would be passed around that St. John was not a fertile field and when the city wanted to borrow, nobody would lend.

After appearing before the mayor and city council, the delegation waited on the premier and government of the Province of New Brunswick. Members of the delegation asked the premier and government to intervene and force St. John city council to accept arbitration. The premier and government listened to the arguments of the delegation. No decision was made but the premier, W. F. Foster, intimated there would be no interference on the part of the province. He intimated that the matter rested entirely in the hands of the mayor and city council of St. John, and that if the investors in New Brunswick Power Company were not satisfied with the treatment by the representatives of the city they have recourse to the courts of the province.

Mayor Fisher seems steadfast in refusing to increase the amount offered for the company's property. In fact he states the city is preparing to acquire poles now leased to the New Brunswick Power Company, and owned by the city, and the city will soon call for tenders for supplying poles for the civic distribution system to rival that of the company.

Jarvis & Co. Are Offering St. John Drydock Bonds

Aemilius Jarvis & Co. are offering $836,320 of bonds of the St. John Drydock and Shipbuilding Company. The bonds are payable serially over a term of 35 years and bear 5½ per cent. interest.

The company issuing the bonds is in receipt of an annuity from the Dominion government sufficient to pay interest and principal on the bonds.

New Brunswick Plans Another Power Plant

From Our Own Correspondent.

ST. JOHN.—It has been announced that the New Brunswick government will take over the water power rights at Grand Falls and erect a hydro station there. The International Paper Company of New York, lessee of the water power privileges at Grand Falls, will relinquish the lease soon, owing to expiration. There seems to be a general opposition to renewal of the lease owing to inactivity of the International Paper Company at Grand Falls. The company obtained the lease originally to build a paper mill. No mill has been built. Recently the company announced its intention of establishing a hydro station at Grand Falls. The hydro station at Grand Falls will be built on plans similar to those for the government station at Musquash. The industrial situation in northern New Brunswick is expected to be improved greatly by the Grand Falls development. The privately owned station at Great Falls on the Nepisiguit River, has already benefited eastern New Brunswick considerably.

Canada Copper Bond Holders Taking Action

Despatch from Princeton, B. C., states that Canada Copper bondholders are commencing proceedings for foreclosure on the properties. In July, 1920, $2,500,000 of first mortgage 6% bonds were defaulted in interest and in October, 1920, $710,000 of 6% debentures were defaulted.

The company owns copper mines and smelters in British Columbia. The market for copper has been poor since the end of the war.

LOOK FOR GOOD 1923 IN FIELD OF BONDS

In Coming Years Present Bond Prices Will Look Cheap

Conditions in the Canadian bond market have been so affected during the past year by conditions across the line that the following New York summary is of interest. It is from Barron's:

The year 1922 closed with bond men and their clients alike in a cheerful frame of mind. The year was one in which a large volume of bonds was distributed by a record number of bond houses, better equipped to serve their clientele than ever before. The American public showed more interest in bond investment than ever before. The process of education in financial matters which began with the great Liberty loans is proceeding apace, though vast sums are still lost by the inexperienced in promotion schemes which are too often hopeless, if not dishonest.

"Generally speaking trading in bonds was done at rising prices and the average investor who has been buying sound bonds purely for investment during the past year and a half has good profits in his holdings. As is inevitable in a rising market of any sort, speculation crept into the bond business, particularly in the early months of 1922, and for a time the pace was too hot to hold. Inevitable reactions and periods of dullness in the bond market occurred and not all distributing syndicates were profitable to their participants nor did every transaction result in profit to the investor. On the whole, however, the year was a favorable one both to the merchants of bonds and to their customers.

"As the new year opens a general feeling of confidence prevails. Bond prices have had a distinct reaction in the closing months of 1922. While there are differences of opinion as to the immediate future of prices, there is a striking unanimity as to the course of prices over the next few years. Practically all students of finance agree that bond prices of the present day will seem cheap five or ten years hence. For the coming year considerable activity in the bond market is expected."

P. BURNS & CO. SELL $3,500,000 OF BONDS

Financing to the amount of $3,500,000 has been arranged by P. Burns & Co., Ltd., of Calgary, large packing house with 70 retail stores in the West. The bonds will be offered by Dominion Securities Corporation and several associated houses. The bonds bear 6½ per cent. interest and mature in 20 years with full sinking fund.

In connection with the financing present outstanding bonds will be retired. They amount to $930,000.

These bonds will be a first charge upon all undertaking and assets of the company. Real estate, buildings and plant are valued at over $7,000,000. Net current assets as of October 31 last amounted to $4,241,795. Total net tangible assets available as security, exclusive of investments in subsidiary companies are therefore over $11,000,000. The net earnings available for bond interest for the year ending June 30 last totalled $703,151. The average annual earnings for the past five years and nine months amounted to $609,161, and for the past ten years and nine months $663,861.

MAKES NEW CONNECTIONS

C. H. Fleming has joined the staff of Municipal Bankers Corporation. Mr. Fleming was for some years with the Canada Bond Corporation.

ALBERTA PEOPLE INVEST MILLIONS IN CERTIFICATES

Province No Longer Sells "Baby Bonds" to Investors

From Our Own Correspondent.

EDMONTON.—Sales of Alberta provincial savings certificates for the year just closed reached high-water mark. They amounted to $3,708,536 gross and notwithstanding heavy withdrawals there was a net balance of $664,269 of new business. The total amount now outstanding in savings certificates is $4,350,822.

Ninety per cent. of the investors are Alberta people, and the average amount they have taken in individual purchases is $250. Some 6,000 accounts are being kept. Deputy-treasurer W. V. Newson says he was struck a few days ago with the fact that one of the ledgers devoted to these accounts had had very few entries for money withdrawn but he did not know why this should be, in contrast with other lists of savings customers, until he examined the names in the ledger. Nearly all of them, he then discovered, were Macs. This, claims Mr. Newson, is another evidence of Scotch thrift.

The savings certificate scheme very manifestly has the confidence of the investing public. It is particularly in favor among farmers and laboring people, who form the majority of the purchasers. Now that the government has discontinued the sale of its baby bonds, which were found to be unnecessarily competitive with the regular bond-selling business by recognized dealers, it is confining its attention, so far as small investments are concerned, to the savings certificates, on which it pays 4½ per cent. interest.

British Columbia Issue to New York Market

British Columbia sold $2,000,000 of 25-year 5% bonds to Dominion Securities Corporation and Dillon, Read & Co., at 95.783, a cost basis of about 5.31%. Bids were:

Dominion Securities Corp. and Dillon, Read & Co.	95.783
Wood, Gundy & Co., Blyth, Witter & Co. and Guaranty Trust	95.734
Miller & Co. and Brandon, Gordon & Waddell	95.73
A. Jarvis & Co., Hallgarten & Co., and Wells, Dickey & Co.	95.406
A. E. Ames & Co., Halsey, Stuart & Co.	95.355
Seattle National Bank, Cyrus Pierce & Co., Carsten & Earls and Rutter & Co.	95.093
G. A. Stinson & Co., Chase Securities Corp., Hornblower & Weeks and Redmond & Co.	94.1277

New Power Issue Soon; Part Will Go to States

From Our Own Correspondent.

MONTREAL.—A portion of the bond issue that will be made in connection with the development of the Gres Falls site for the Shawinigan Water & Power Co. will be offered in Canada by Aldred & Co., while the most of the issue will be distributed in the United States. The terms are not yet settled.

London Sells Bonds on Cost Basis of 5.40 p. c.

London, Ont., has disposed of $500,000 of bonds at a cost basis of about 5.40 per cent. The issue consisted of $250,000 of 5½ per cent. 20 instalment bonds and $250,000 of 5½ per cent. 30 instalment bonds. The purchasers were Gairdner, Clarke & Co., who paid 101.15. The bids were:

Gairdner, Clarke & Co.	101.15
Macneill, Grahame & Co. and C. H. Burgess & Co.	101.11
Wood, Gundy & Co.	101.05

Our Current List
gives particulars of a wide range of City, Town, County and Township bonds. Maturities, rates of interest and denominations are varied to meet every requirement.
Write for a copy.
R. C. MATTHEWS & CO.
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McDonagh Somers & Co.
Government and Municipal Bonds
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Canada

We shall be pleased to quote you for the purchase or sale of Government and Municipal Bonds and high grade Corporation Securities.
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MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 8383 - TORONTO

BOND MOVEMENTS OF THE WEEK

Week Ending January 16th.

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	Low	Range 1923 High	Low	Ask	Bid	High	Low
Can. Bread	6	1941	6.32	99	88½	97	96	97½	96½	97	96½
Can. Car	6	1939	6.07	101	95	99¼	99	—	98½	99	—
Can. Cottons	5	1940	6.10	88½	82	89	88	88	—	88	—
Can. Locomtive	6	1951	6.26	100¼	87	98	96½	99	97	96½	—
Ced. Rapids	5	1953	5.26	97½	93	96	96	96½	96	96	—
Dom. Textile (a)	6	1925	6.09	101	97¼	99¾	99¾	—	99½	99¾	—
Dom. Textile (b)	6	1925	6.15	101	97¼	100½	99½	—	99½	99½	—
Dom. Iron	5	1929	6.30	94	82½	92¾	92¾	—	92¾	92¾	—
Lyall Cons.	6	1932	7.67	85	75	88½	88	—	86	88½	—
Montreal Trams	5	1941	5.95	93½	87½	90½	89¼	—	89½	89¼	—
Ogilvie	6	1932	5.70	102½	100	102½	102¼	102½	—	102¼	—
Penman's	5	1926	6.36	94¾	90	96	93¾	95¼	—	95¼	—
Quebec Rly	5	1939	8.15	87¼	63½	72½	69	—	70	71	69
Rio Janeiro	5	1935	6.55	87¾	76	86½	86½	—	86¼	86½	—
Sao Paulo	5	1929	7.06	91½	80	89½	88¾	89¼	88½	89	88¾
Steel of Can.	6	1940	5.95	100¾	97	100½	99¼	101	100	100½	—
Sterling Coal	6	1940	8.10	85	78½	80	80	—	80	80	—
Wabasso	6	1947	6.70	94	89½	91½	90¾	—	89	91½	—
Wayagamack	6	1951	7.48	88¾	71¾	83	82¼	83	82	83	82½
Winnipeg Elec.	5	1935	5.60	92	88¾	94½	94½	—	93	94½	—
War Loan	5	1925	5.00	99.30	96.10	100.25	99.10	——	100.00	100.25	100.00
Do.,	5	1931	4.98	99.90	96.25	100.30	99.80	——	100.15	100.30	100.10
Do.,	5	1937	4.82	101.50	99.50	101.80	101.25	102.00	101.60	101.80	101.25
Victory Loan	5½	1928	4.88	100.70	98.75	100.80	100.40	100.80	100.60	100.80	100.40
Do.,	5½	1924	5.18	100.75	98.00	101.40	100.25	101.00	100.60	100.90	100.50
Do.,	5½	1927	4.98	102.70	9975	102.40	101.75	102.50	102.20	102.30	101.90
Do.	5½	1933	4.90	104.35	101.25	106.70	104.40	——	105.00	105.10	104.45
Do.,	5½	1934	5.23	101.45	98.80	102.25	101.30	102.50	102.40	102.25	101.30
Do.	5½	1937	4.86	106.25	103.00	107.00	106.50	107.00	106.80	107.00	106.50
Do., Ren.	5½	1927	5.13	101.10	99.40	101.10	101.00	——	101.60	101.10	——
Do., Ren.	5½	1932	5.23	101.10	99.70	102.10	101.00	102.50	102.10	102.10	101.70

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to—	Rate	Term	Amount	Price	Basis
Jan.	—London, Ont.	Gairdner, Clarke & Co.	5½%	20 & 30-ins.	$500,000	101.15	5.40
Jan. 16	—Espanola Schools, Ont.	Stewart, Scully & Co.	5½%	30-ins	175,000		
		PROVINCIAL					
Jan. 15	—British Columbia	Dom. Securities Corp. and Dillon, Read & Co.	5 %	25-year	2,000,000	95.783	5.31
		CORPORATION					
Jan. 18	—Burns & Co.	Dominion Securities Corp.	6½%	20-year	3,500,000		
Jan. 17	—St. John Drydocks	A Jarvis & Co.	5½%	35-ins.	836,320		

Canada's Exports Increase by $24,566,662 in Dec.

Canada's exports of domestic produce and manufactured articles during December, 1922, were higher in value by $24,566,662 than the exports of December, 1921, as shown by the summary of Canadian trade for last month, issued tonight by the Department of Customs and Excise. The totals for the two months were: December, 1922, $110,870,825; 1921, $86,304,163.

Merchandise entered for consumption during last month showed an increased value of $10,154,722 over the imports of December of 1921, the totals being: December, 1922, $70,204,888; 1921, $60.050,166. Foreign merchandise exported from Canada in December, 1922, was valued at $1,164,596, as against $881,551 in December of the previous year, an increase of $283,045.

The grand total of Canadian trade for December, 1922, was higher, therefore, by $35,004,429 last month than in the corresponding month of last year, the figures being: December, 1922, $182,240,309; 1921, $147,235,880.

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160 St. James Street,

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H. W. Currie, B.A., Sec. Treas.

We can offer attractive bonds to yield from 5½% to 8%. Particulars upon request.

WINDSOR HOTEL, Limited

20-year First Mortgage 6½% Sinking Fund Gold Bonds. Due January 1st, 1943.
Price: par and accrued interest.

JOHNSTON AND WARD

171 St. James Street, Montreal.

Members: Montreal Stock Exchange—Toronto Stock Exchange.

CIVIC AND PROVINCIAL FINANCE

ONE DAY A WEEK SPENT IN EARNING MONEY FOR TAXES

Before the War Taxes Were Only a Tenth of National Income

The Canadian business man is in the same boat with the United States business man in that he works one day in the week to pay his taxes. Taxes paid to the Federal government, the provincial governments and the municipal governments amount to about one-sixth of the national income.

If the average business man would put a red chalk ring around every Thursday (for instance) on his calendar and consider that every cent he earns that day goes directly or indirectly for taxes he would get some idea of the situation that has developed.

The national per capita income is $590. The Dominion government takes about $40 a year in taxes from each individual in the country. The provinces average another $10—some less and some more. Then the municipalities slice $50 per capita off the national income. Income—$590; taxes—$100; that is the record.

No comfort can be had from considering "Twas ever thus." For it was not ever thus. In the year 1914 the Canadian business man worked only one day in ten to pay his taxes. The national per capita income is up about 25 per cent. But taxes have more than doubled.

Here is the comparison:

	1914	1922
Per capita national income	$475	$590
Taxes, Federal	20	40
Provincial	8	10
Civic	20	50
	$48	$100

Of course all of these taxes do not hit the individual directly. But he pays them indirectly. When he buys an American automobile or a British woollen overcoat he is paying Federal taxes. When he rents a house he indirectly pays city taxes. When he buys an insurance policy he pays provincial taxes. Taxes are a standard of certainty. They cannot be avoided. And when day by day in every way they grow and become more burdensome they put a load upon individual effort and business development that impedes national progress.

The Finances of Canada

Increase of Over $20,000,000 in Net Debt During December—In Nine Months Customs Increased $11,000,000 and Special Taxes, $19,000,000—Income Tax Down $17,000,000

From Our Own Correspondent.

OTTAWA.—Statement of revenue and expenditure for the Dominion of Canada furnished by the Finance Department at Ottawa for the month of December, furnishes one discouraging and one encouraging feature. The former is the continued increase in the net debt of Canada for the month by $20,860,333. The heavy increases for the last two months are due, as it has been intimated before, to the fact that heavy interest payments on Victory bonds and other forms of indebtedness of Canada come due in November and December of each year.

The net debt as it stood on November 30, 1922, was $2,391,635,818, and this had arisen to $2,412,496,151 at the end of December. During the year 1922 the net debt of Canada increased by $45,634,899.

The favorable factor in the statement is the increasing revenue in a number of departments. The largest increase appeared in what comes under "war tax revenue" heading, namely, Inland Revenue, which includes the stamp tax, the sales tax, etc. During the nine months to the end of December the total collected was $75,508,258 as compared with $56,259,516, or an increase of over $19,000,000. This increase, however, did not equal the total of decreases in the cutting off of the business profits tax and the decline in the income tax. Business profits tax in the nine months of 1921 amounted to $16,934,000 and in the similar period of 1922 to only $10,168,000. This amount will gradually decrease until it finally disappears. Income tax which for nine months of 1921 amounted to $72,636,000, declined to $55,602,000 in 1922, or over $17,000,000. Thus the revenue which showed an increase of $19,000,000 in Inland Revenue showed a decrease of nearly $24,000,000 in business profits and income taxes or a net decrease of $5,000,000 taking the three items. Customs, however, came to the rescue with an increase of over $11,500,000 in the nine months so that there is still in the four items a net increase of over $6,500,000. Customs showed a very encouraging increase, that for December running $2,250,000, from $8,565,000 to $10,827,000.

Net Debt

Dec. 31, 1922	$2,412,496,151
Nov. 30, 1922	2,391,635,818
Increase in November	$ 20,860,333
Dec. 31, 1921	2,366,861,252
Increase in year	$ 45,634,899

December Revenue

	1921 $	1922 $
Customs	8,565,970	10,827,096
Excise	3,195,817	3,471,658
Post Office	2,500,000	3,500,000
Pub. Works	139,611	107,614
War Tax Revenue		
Inland rev.	6,671,890	8,056,439
Bus. prof. tax	3,946,259	571,549
Income tax	2,050,778	987,839
Oth. war tax rev.	1,446,823	1,982,102
Total rev.	28,549,328	29,522,565

December Expenditure

	1921 $	1922 $
Int. on pub debt	3,703	16,549,805
Agriculture	409,006	586,295
Pensions	3,016,225	2,708,453
Pub. Wks. Cns. Fd.	1,878,627	916,875
Post office	3,221,094	3,299,088
Dom. lds and pks.	529	310,996
Sold. lnd. set.	170,062	427,368
Sold. civ. re-est.	1,415,883	991,913
Other expenditure	6,862,605	5,832,323
Total expen.	16,977,737	31,623,120
Total revenue	28,549,328	29,522,565
Balance for month	+11,572,591	—2,100,555

Nine Months' Revenue

To end of December

	1921 $	1922 $
Customs	77,174,599	88,700,991
Excise	28,566,149	28,310,548
Post Office	17,100,000	20,600,000
Pub. Works	919,276	885,456
War Tax Revenue		
Inl. revenue	56,259,516	75,508,258
Bus. prof. tax	16,934,714	10,168,763
Income tax	72,636,727	55,602,664
Oth. war tax rev.	1,528,599	1,130,868
Other revenue	23,151,056	19,266,499
Total revenue	294,270,639	300,174,050

Nine Months' Expenditure

To end of December

	1921 $	1922 $
Int pub. debt	106,515,529	119,300,430
Agriculture	3,896,071	4,534,193
Pensions	24,836,287	21,957,977
Pub. wks cns. fd.	6,272,162	5,556,968
Post office	16,163,160	15,513,981
Do. lds. & pks.	2,812,305	3,244,165
Sold. ld. sett	1,600,155	1,243,459
S. civ. re-est.	11,405,190	8,735,043
Other expend.	68,052,603	61,880,250
	241,553,465	241,966,471
Surp. for 9 mos.	52,717,174	58,207,579

Tenders and By-Laws

TENDERS WANTED

Jan. 23, Woodbridge.—$40,000, 5½%, 30-year debentures. Ed. W. Brown, Village Clerk. (See announcement elsewhere in this issue).

Jan. 29, Village of Wellington.—$120,000, 5½%, 30-year consolidated school bonds. E. A. Titus, Clerk. (See announcement elsewhere in this issue).

Jan. 19, New Brunswick—$1,650,000 20-year, 5% debentures. Provincial Treasurer, Fredericton, N.B.

Feb. 1, Regina—$1,199,000, $360,000 of which is due 1949 and the balance in 1944. Alternative bids are asked for, bearing interest at 5 and 5½%.

BY-LAWS PASSED OR DEFEATED

Cornwall.—$100,000 for extension to high school, passed by the ratepayers.

MAY INCREASE CAPITAL

Crown Reserve Mining Company may increase its capital by a million dollars to provide capital to operate its new property at Pancake Lake.

8% PLUS

We can offer a small amount of the 8% Preferred shares, in a well-established Canadian industry, having surplus assets of $1,610,000, and earnings for 1921 of over $233,000 with big increases this year.

This company has assets of more than $265.00 back of each preferred share, and earnings sufficient to meet dividend requirements five times.

Price 100, carrying a 20% bonus of Common Stock.

A special circular will be mailed upon request.

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INVESTMENT BANKERS
10-12 King Street East, Toronto.

Government and Municipal Bonds

Send for our list of investments.

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BONDS.
PR. BUILDING C.. TORONTO

We Own and Offer

8% Convertible Debentures

MOUNT ROYAL HOTEL
Company, Limited

Dated Sept. 1, 1921. Interest payable in New York, Montreal and Toronto.

Denominations
$100, $500, $1000

PRICE: Par and Accrued Interest to yield 8%, with a bonus of 30% Common Stock.

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Government Municipal and Railway Bonds

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36-38 King St. E. TORONTO.

THE BANK OF TORONTO

Dividend No. 166

Notice is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the rate of **Twelve Per Cent. per annum** upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the **FIRST day of March** next to Shareholders of record at the close of business on the 10th day of February, 1923.

By order of the Board.

JOHN R. LAMB,
General Manager.

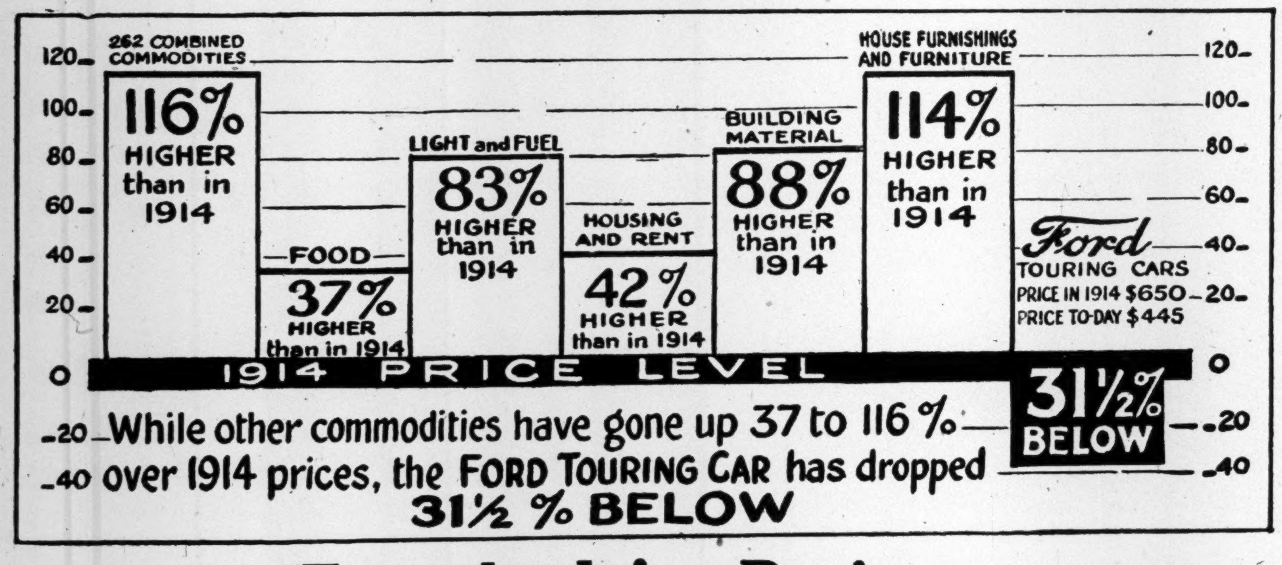
The Bank of Toronto, Toronto,
January 17th, 1923.

NEW DIRECTOR APPOINTED

A. W. M. Kirkpatrick has been made a director of the Toronto Mortgage Co. in the vacancy caused by the death of the late Casimir S. Gzowski.

Ford

"EVERYBODY'S CAR"



Everybody's Business

THE Ford Motor Company has made a genuine attempt to give the public Automobile transportation at a price within the reach of all. It has carried out the ideals of the inventor of the Ford Car, Henry Ford, and has placed the Ford Motor Company in the position of performing a public service to the people of Canada.

It has definitely made Ford products a national institution—being such, the Ford Motor Company believes it is justified in telling the public it serves how the present low price of Ford Cars can be maintained in 1923.

How the Present Low Price of Ford Cars Can Be Maintained in 1923

We are absolutely frank with the public when we say that the present low prices are not justified by present production but only by the production it is hoped will result from them.

The present low prices for Ford Cars are based on maximum production only. To-day's market on steel and other raw material that goes into the manufacture of Ford Cars will not warrant these prices except at peak production.

Ford prices must go up unless they are justified by increased production.

Everybody's Business

The Ford Car is everybody's Car—the Ford business is everybody's business. You and your neighbor, and his neighbor are all vitally affected by the price of Ford Cars.

If you are at all concerned about buying a Ford this year

You Can Set The Price

Fill in the memorandum below and mail direct to the Ford plant at Ford, Ontario.

This merely signifies your intention to buy a Ford Car and obligates you in no manner to buy.

The Ford Company must know how many cars are wanted in 1923 in order to maintain the present prices.

You can help if you act at once.

FORD MOTOR COMPANY OF CANADA, LIMITED, - FORD, ONTARIO

You Can Set the Price of Ford Cars for 1923

Fill in and mail at once to—

The Ford Motor Company of Canada, Limited, Date................
Ford, Ontario, Canada.

I understand that Mr. Ford and the Ford Motor Company have reduced the price of Ford Cars to a point never before conceived to be possible, and that these prices are not justified by the present volume of business, but that they have to bring about a larger volume of business to justify these prices.

While I am not immediately prepared to buy a car, I will want a..................about..................
and as I desire to get it at these reduced prices, this will inform you that I intend to buy a Ford unless something unforeseen happens and am advancing this information so that the Ford Motor Company may proceed and manufacture this car during the winter months so that I may have prompt delivery at the time I desire it.

NAME..................

ADDRESS..................

232

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MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion
Assurance in Force - $550,000,000
Assets - - - $130,000,000
Sun Life Assurance Company of Canada
Head Office - - Montreal

LIFE INSURANCE FOR MEN OF AFFAIRS
Estates of any considerable value are subject to heavy death duties: Life insurance is the simplest method of providing for their payment. Have you set aside a policy to meet succession dues?
Business partners whose experience is vital to the organization require mutual life insurance protection. A heavy expense would be involved in replacing the ability of a deceased partner. Has your firm considered this?
Endowment policies can be secured to provide funds for meeting an obligation such as a mortgage loan, to mature at the end of a certain period. The premiums provide the necessary "sinking fund." Had you thought of this?
Policies can be secured that will pay monthly allowances to faithful employees whom you wish to remember and who you desire may remember you. Modern insurance is adaptable to every need.
Insurance sold on all approved plans at net cost.
The Mutual Life Assurance Company of Canada. Waterloo, Ont.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

Penniless Old Men
An Imperial Endowment Policy makes it easy for you to escape their bitter experience
The IMPERIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE TORONTO

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
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THE STERLING TRUSTS CORPORATION
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A. W. BRIGGS, K. C. .... Vice-President
NORMAN SOMMERVILLE, K. C. .... Vice-President
CHAS. BAUCKHAM .... Managing-Director
12 King St. E., Toronto. Branch Office—Regina: Lorne Johnson, Manager.

Accident and Sickness
Automobile (Non-tariff)
We issue the most up-to-date policies, and give every policyholder a highly considerate service.
Test the truth of this with your next policy.
MERCHANTS CASUALTY COMPANY
(DOMINION LICENSED)
WINNIPEG : TORONTO : MONTREAL

YOU REAP WHAT YOU SOW
This saying is as true of money as of anything else. For example: $10 sown each month in a Canada Permanent Savings Account, and watered each half year with compound interest, will produce a harvest of $1,486.57 at the end of ten years.
Why not commence sowing the seed to-day by opening an account? This institution has been doing business in Toronto for more than sixty-seven years and has safe-guarded and helped to increase the savings of many thousands of people, whose confidence it has had for this long period.
Canada Permanent Mortgage Corporation
14-18 TORONTO STREET, TORONTO
Paid-up Capital $7,000,000. Reserve Fund, (earned), $7,000,000
Investments Exceed $40,000,000

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,212,725
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE, WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
VANCOUVER AND VICTORIA

INSURANCE FOR BUYER AND SELLER

DEFINING NORMAL LOSS ELEMENT IN CREDIT INSURANCE

Recognized by Federal Reserve Board as Standard Insurance

NOT LIKE FIRE LOSS

Which is Entirely Abnormal—Changes With Nature of Industry—A Typical Case

From Our Own Correspondent.

MONTREAL.—Reference was made in a previous article to the fundamental principles of "credit insurance." One of these consisted of a guarantee that a manufacturer or wholesaler shall not suffer from losses that occur through the insolvency of debtors beyond the "normal loss" incident to his own particular business. The other was that the coverage and the premiums are based on the generally accepted tables of mercantile agencies.

Since that time the point has been raised, as it probably is raised in every discussion of credit insurance, as to why the insurance company does not bear the entire loss; why the normal loss is deducted, and why this has to be borne by the insured. It is pointed out, for instance, that in the case of a fire the policy covers the total loss incurred by the insured. Why not the total loss incurred by a manufacturer or wholesaler through bad debts?

The point may be answered by stating that credit insurance seeks to insure against "abnormal" losses, not normal, which ordinarily are included in the cost of production or distribution as the case may be; whereas all losses by fire are considered abnormal and are not provided for. Normal losses, as such, occur practically every year, and are looked forward to and provided against; fire losses are the exception and are not provided for in figuring out cost of production. All that is provided for in such a case is the cost of fire insurance—the premium.

This point, that is the reason for the "normal loss" clause in credit insurance, is concisely dealt with in a bulletin issued by the Federal Reserve Board of the United States. This Board after an exhaustive inquiry decided to recognize credit insurance with other generally accepted lines of insurance and this fact has gone far to raise credit insurance to the standard of other lines such as fire, life and accident. In a bulletin dealing with this subject the point is handled thus:

"Instead of exacting a cash premium to cover the losses normally incident to the business insured, plus the loading for the excess, it is believed to be more practical, more satisfactory, and to remove any speculative feature, simply to exact a smaller cash premium and to provide that the policy holder shall bear the loss normal to his business (which he may not lose during some year), and receive reimbursement from the insurance company for the losses in excess of the normal. The normal loss is calculable, and may be considered in the same manner as other items of manufacturing and selling cost in order to arrive at the selling price of merchandise. Moreover, having the policyholder bear the normal loss reduces, as stated, his cash premium by a considerable amount, so that it is much less than that charged for any other form of insurance. If the average fire loss is one-half of 1 per cent. of the values insured, the policy holder must pay, in money, not less than one-half of 1 per cent. for fire insurance, plus overhead expense and profit; whereas if the average credit loss on goods sold is one-half of 1 per cent., and the merchant loses less than one-half of 1 per cent., he retains the difference between his actual loss and his average loss, for he does not pay the company any part of his normal loss."

As has been pointed out, the normal loss agreed upon between the insurance company and insured differs in percentage according to the industry covered. There are certain industries where a change of seasons depreciates the value of goods one-half or even three-quarters, and sometimes entirely removes the value for the time being. Thus the risk of losses is of course much greater than in an industry where the products are more staple and price fluctuations less violent.

In certain classes of commodities if losses do occur they represent a higher percentage of the value than in other lines of commodities. It is customary, therefore, to divide the various businesses into several classes or groups with a basic normal loss established for each of these groups. Not only is there a difference in commodities themselves but the terms of payment make a difference in the normal loss allowed. Long terms ordinarily make it necessary to establish a higher loss than short terms.

Apart altogether from regularly established rates covering the various lines of businesses the insurance company usually requires from the applicant for a policy his own experience covering several years, information on sales, losses on collections, amounts owing by debtors and so on, so that the final adjustment is made as between the insured's own record and the regularly established standard.

Now while the "normal loss" as established is deducted from the amount of the total loss paid by the insurance company in making a settlement, only one deduction is made during any one year, no matter how many losses are paid the insured. This may be illustrated thus:

FOR FIRST LOSS	
Loss..	$25,000
* Less co-insurance representing profit of 10 per cent...	2,500
Less normal loss as agreed on	5,000
Net amt. paid insured	$17,500
SECOND LOSS IN YEAR	
Loss	$20,000
Less co-insurance (10%)	2,000
Less "normal loss"	nothing
Balance paid insured	$18,000
THIRD LOSS IN YEAR	
Loss	$15,000
Less 10% co-insurance	1,500
Less "normal loss'	nothing
Balance paid insured	$13,500

* This deduction is made to reduce invoice amount of goods, sold customer to actual cost price to insured.

CLAIM ON POLICY FOR LOAN STANDS

Winnipeg Man Failed to Reapportion the Benefits Of His Insurance

A decision in an insurance claim in which the insured tried and failed to reapportion his insurance has recently been handed down by the Court of King's Bench, Winnipeg. The decision is important inasmuch as it deals with a new phase of legal disputes arising out of insurance and holds a lesson for insurance buyers and sellers.

R. H. Henderson, Winnipeg, carried considerable insurance. His wife was the beneficiary, not in her status as wife but as security for sums of money which she had advanced to her husband. She paid the insurance premiums. Before his death the husband endeavored to reapportion the benefit to the end that his daughter by a previous marriage, Maud Stafford, would receive $2,000 on his death.

The court's ruling was that the wife was a beneficiary of value. Also a pledgee or equitable mortgagee of all moneys payable under the policy, including the $2,000 in dispute, in payment of the moneys which she had advanced.

LAW OF ONTARIO AS TO RECIPROCAL INSURANCE IS BAD

This Opinion Expressed by Judges Upheld the Conviction

The legislation of Ontario regulating reciprocal insurance has been questioned by the first divisional court. The question came up on an appeal from a police court conviction in which two men, A. Creighton and E. E. Otto, were convicted of violating two sections of the criminal code for engaging in this class of insurance without a license. The majority of the judges were of the opinion that the legislation bearing on the question was good in part and bad in part, and they applied the part that was good to the case before them and upheld the conviction. Two judges dissented.

Creighton was charged with soliciting insurance risks on automobiles on behalf of certain persons who were alleged to have entered into a reciprocal insurance agreement without being licensed as the law required and carrying on business under an inter-insurance agreement without being licensed. Otto was charged with soliciting risks for Creighton under the inter-insurance agreement.

GROUP INSURANCE FOR FARMERS

The United Farmers of Manitoba are going one step further with their co-operative movement, having endorsed a proposal for group insurance for their members, men and women, with a maximum of $2,000. The details are to be worked out by the executive.

Insured Who Drops Policy Pays In Many Ways on Replacement

Premium May Be Only a Little Higher, But Cash Value of Policy is Lower—Blow to Find Not Insurable

The heavy lapse percentage in life insurance in 1922, over 50% of the new business written, is bringing this question again to the forefront. Canadian companies, it is estimated, found the lapses last year the heaviest on record. They are seriously concerned with the matter.

For many years, in fact until quite recently, insurance companies and fraternal orders, especially the latter, were little concerned with lapsed policies. The main goal of most insurance agents and benefit organization leaders seemed to be to get the first premium and then they were satisfied. However, as in insurance generally, time has brought about a complete change of tune. From the agent point of view the opinion seems to be that it was more profitable to spend time on prospects for new insurance than worrying over a former prospect who may be wavering on his second premium. One of the big points emphasized today to offset this is that agents have been brought to look upon their policyholders as their best prospects. It is being argued that the agent's shorter route to a comfortable income is to retain his old income while he is producing a substantial volume of new income.

Of course, the insurance agent cannot be blamed for all the sins of the past in this connection. Discussing the question of whether or not lapses were a waste, John D. Sage, president of the Union Central Life, said that the more or less general idea in years past was that companies made their profits from lapsed and surrendered policies. And yet, while it has been stated that if companies do not profit from lapses, they do not lose. This is another situation that is passing. For, though companies are today working hard to prevent lapses, they are, because of competition, really holding out a bait to lapses. The bait is set as a selling argument for new policies. In the competition of the present day companies are steadily coming around to the point of eliminating the surrender charge. This used to reimburse the company from loss by enabling it to replace the lapsed policy without additional cost. Also it used to contribute to surplus the amount that would have been contributed had it been kept in force for years. Competition is making great inroads on this surrender charge. Many companies today grant the full legal reserve as early as the third, fourth and fifth policy years. But that lapses are waste may be seen by considering what would happen to a new company if all its business lapsed at the beginning of the second year.

In regard to policyholders, it is estimated that as a result of lapses in the U. S. and Canada in 1921 beneficiaries in 1922 lost over $8,000,000 insurance. This amount does not include the tremendous total of the surrendered policies. Perhaps the worse phase is when the policyholder lets his policy lapse because he is pressed for a little cash, only to find out perhaps six months later that he is not insurable. Again there are those who will buy an ordinary life policy for a year, pay the high premium, when as term insurance they could have purchased the same policy for half the premium.

There is another feature which hits the insured who drops a policy today to pick it up again in a few weeks or months. Perhaps in the meantime he will reach the turn of his birthday. He is not disturbed to find that his premium has increased, perhaps $1 per thousand, but when he sits down and figures out that in 15 years he will have paid $250 more on a $10,000 policy only to have a policy worth nearly $500 less in cash surrender than the one he would drop, then he thinks twice.

Insurance lapses of recent years have taken a great deal of new business to replace them. The figures are:

1918	30 per cent.
1919	19 per cent.
1920	22 per cent.
1921	44 per cent.
1922	over 50 per cent.

MARKED PROGRESS BY LONDON LIFE CO.

Assets of Company Mount and Consist Mostly of First Mortgages

Marked progress is shown by the annual report of the London Life for 1922, an outstanding feature being an increase of $3,313,669 in invested and other assets to $19,234,187, the largest gain in the company's history. The company is placing the funds heavily in first mortgages, the increase in the total mortgage investment being equal to the increase in the assets.

The statement shows the premium and interest receipts totalled $5,425,-601, an increase of $535,510. Other items brought the total to $5,505,797. Total disbursements reached $2,425,-262.

The interest earnings continue to advance, the figures being 6.59 in 1920, 6.61 in 1921 and 6.78 last year. The total insurance in force after deducting reinsurance is $129,628,341, compared with $111,113,518 in 1921 and $96,600,075 in 1920. New business increased 18 per cent. The increase in the net surplus is given as 70 per cent.

The company's profit obligation to the policyholders as computed is shown as a liability by the company.

CANADIAN LIFE INSURANCE $333 PER CAPITA

Canada with a population under 9,000,000 has no less than $3,000,-000,000 life insurance in force, according to A. E. Lawson, Winnipeg, president of the Life Underwriters' Association of Canada. Insurance companies have $568,-000,000 invested in the Dominion, while of the $41,000,000 claims paid by life insurance companies more than half of it has gone to living policy holders. Mr. Lawson declares that more insurance has been written in Canada in the last 10 years than in all the years that went before.

The Western Empire
LIFE ASSURANCE COMPANY
Head Office; 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices;
Saskatoon Calgary Vancouver
WILLIAM SMITH,
Managing Director.

British America Assurance Co.
Fire, Marine and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over $52,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses Paid Since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

MONTREAL TRUST CO. INCREASED BUSINESS

Satisfactory Year's Record Reported—Net Profits Up—$591,000,000 in Trust

From Our Own Correspondent.

MONTREAL.—In addressing the shareholders of the Montreal Trust Co. assembled to hear the report for the year ended December 30, 1922, the president, Sir Herbert Holt, stated that the business of the Company in every department during the past year had shown pronounced growth and increased earnings. This he considered very gratifying in view of the generally depressed condition obtaining during the period under review. It was also announced that the management had felt it necessary to enlarge its offices and that extensive alterations were now being effected on the ground floor of the Company's building which when completed should give them the additional accommodation required.

The financial statement showed steady growth in the various activities of the Company. After providing for expenses of management, accrued interest and all other charges, the net profits amounted to $238,774 as compared with $216,753 in the previous year. Taking the balance carried forward in the profit and loss account from the previous year the total became $491,466 from which the following appropriations had been made: dividends at the rate of 12 per cent., $120,000; income taxes, reserves, $15,831; and instalment on account of subscriptions to McGill University Centennial Fund, $2,000. These deductions left a balance of $353,634 to be carried forward, showing a net surplus for the year of $100,942.

Estates and trusts under administration and trusteeships for bond issues as at December 30, 1922, amounted in round figures to $591,-000,000, an increase of $56,000,000 over the figures shown at the end of 1921.

IMPERIAL LIFE PROMOTIONS

Following the recent annual meeting of the Imperial Life, J. W. Weston, managing director, announced that owing to the growth of the company's business and the tax on the executives, it has been decided to relieve G. Cecil Moore, assistant general manager, of his responsibilities for the actuarial department which he carried along with his other duties. J. G. Parker, associate actuary for a number of years, has been named actuary. H. T. Roesler, head of the investment department, is the new treasurer of the company and J. M. Pauline has been named accountant.

BRITISH EMPIRE STEEL

It is announced by the British Empire Steel Corporation that the output of coal for 1922 was slightly in excess of the 1921 production. This increase is all the more striking when consideration is given to the fact that the mines were closed down through strike during the summer for a period of three weeks.

STEADY MOVEMENT NOTED AT ROYAL BANK ANNUAL MEETING

Sir Herbert S. Holt, President, in Drawing Attention to Difficult Period Through Which Banks Have Passed, Stated Vitality, Stability and Reserves of the Royal Are Unimpaired —Necessity of Strong Immigration Policy.

Edson L. Pease, Vice-President and Managing Director, Reviews Conditions in Canada and Outside Countries Served by the Bank—Retires as Managing Director After Forty Years' Service—Will Continue as Active Vice-President and Director.

C. E. Neill, General Manager, Reviews Annual Statement—Deposits Held Up Remarkably Well in Face of Trying Conditions—Strong Liquid Position Maintained.

The Fifty-fourth Annual General Meeting of the Shareholders was held at the Head Office of the Bank in Montreal, Sir Herbert S. Holt in the chair.

Mr. S. D. Boak acted as Secretary of the meeting and Messrs. A. Haig Sims and Alex. Paterson as Scrutineers.

In the absence of the General Manager, Mr. C. E. Neill, on account of illness, the Assistant General Manager, Mr. M. W. Wilson, then read the Directors' report as follows:—

DIRECTORS' REPORT

The Directors have pleasure in submitting to the Shareholders the Fifty-third Annual Report, for the year ended November 30, 1922, accompanied by the Statement of Assets and Liabilities.

Profit and Loss Account

Balance of Profit and Loss Account, November 30, 1921	$ 905,044.98	
Profits for the year, after deducting charges of management, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills	3,958,469.21	
		$ 4,863,514.19
Appropriated as follows:		
Dividends Nos. 138, 139, 140 and 141 at 12% per annum	$ 2,448,000.00	
Bonus of 2% to Shareholders	408,000.00	
Transferred to Officers' Pension Fund	100,000.00	
Appropriation for Bank Premises	400,000.00	
Reserve for Dominion Government Taxes, including War Tax on Bank Note Circulation	500,000.00	
Balance of Profit and Loss carried forward	1,007,514.19	
		$ 4,863,514.19

The assets of the bank have been, as usual, carefully revalued, in order to make ample provision for all bad or doubtful debts.

A number of small and unprofitable offices were closed.

The Head Office and branches of the bank have been inspected as usual during the year.

The Directors record with deep regret the death on February 24th last, of their esteemed colleague, R. MacD. Paterson, Esq. The vacancy on the Board created by his death was filled by the appointment of C. B. McNaught, Esq.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties.

All of which is respectfully submitted.

H. S. HOLT, President.
E. L. PEASE, Vice-President.

GENERAL MANAGER'S REVIEW OF STATEMENT

The Assistant General Manager, Mr. M. W. Wilson, then read the General Manager's remarks regarding the Annual Statement as follows:—

The statement submitted today will, I think, be received by you with satisfaction. The past two years of deflation and depression have been trying ones for all financial and business concerns, and it is with considerable gratification that we present to you such a satisfactory Balance Sheet. Total assets show a decrease of only 4.25 per cent., which can be accounted for by reductions in circulation, the amount due the Dominion Government, and Letters of Credit and Bills Payable outstanding—reductions directly due to deflation.

Our deposits have held up remarkably well in the face of trying conditions, the decrease for the year being slightly under 1 per cent., whereas the average decrease of all Canadian banks is about 3 per cent., which shows how well our position has been maintained. There has been a substantial contraction in commercial loans, indicating healthy liquidation. Advantage has been taken of satisfactory bond prices during the year, and the sale of certain investments has resulted in a net reduction of $4,697,895.73 in securities held. A strong liquid position has been maintained. Liquid assets are 49.37 per cent. of liabilities to the public, as compared with 48.61 per cent. last year.

Net profits for the year were $3,958,469.21, being 19.40 per cent. on the capital of the bank. The usual dividends with an additional bonus of 2 per cent., have been paid to the shareholders, and $102,469.21 has been added to Profit and Loss Account, which now stands at $1,007,514.19. Full provision has been made for bad and doubtful debts, and I am glad to report that a number of doubtful accounts for which provision was made last year have improved to such an extent that we feel reasonably confident the appropriations which have been made will not be required, at least not in full.

Our organization has been strengthened by the appointment in November last of four Assistant General Managers. Messrs. Wilson, Noble, Dobson and MacKimmie have grown up in our service. They are thoroughly tried, experienced bankers of outstanding ability, and I can assure you that your interest will be well served by them.

I desire to commend in the strongest possible terms the loyal and efficient service rendered by all members of our staff. I cannot speak too highly of their devotion to the bank.

PRESIDENT'S ADDRESS

Sir Herbert S. Holt, Chairman, in moving adoption of the Directors' report, said:—

I have pleasure in submitting for your approval the bank's report for the past year. Having regard to the unfavorable conditions which prevailed throughout the year, the result should be considered very satisfactory. Never in the history of banks have they been subjected to a severer test than in the past two years of depression and deflation. Fortunately, the earning power of this bank and its reserves are such that we have emerged (for I consider that the world is on the road to healthy recovery) with our vitality, stability and reserves unimpaired.

Our meeting today marks the passing of another milestone on the road to normal conditions. The last twelve months have aggravated the problems of disturbed Europe, whereas Canada has strengthened her position among the nations. Production has increased, our credit was never higher, and the Canadian dollar has gained in purchasing power in almost all the markets of the world.

A new record has been established for the total cereal crop of the Dominion, while our wheat yield has come a close second to the memorable harvest of 1915. The shipments of grain, and an improved demand for the forest products, which now form so large a part of our sales abroad, have resulted in a rapid and astonishing increase in our foreign trade. A gain of 23 per cent. over last year's figures is shown in our exports for the eight months' period of the fiscal year which ended November 30th. Our imports, on the other hand, are less than 1 per cent. more than they were for the corresponding eight months of 1921. The resulting favorable trade balance of $114,720,129 would have been gratifying and encouraging at any time, but it is a cause of particular pride that this was accomplished during a period of comparatively low agricultural prices, in face of a hostile United States Tariff, and at a time when the exports and trade balance of our neighbor to the South have shown a marked decline.

Our domestic trade is less encouraging. It was not to be expected that we would recover quickly from the blow to industry through diminished demand and sharp decline in prices. Sales and collections have alike proved slow and commercial failures have increased. There are many hopeful signs, however, and the steady absorption of the unemployed indicates better days for our varied trade activities. It is in the farming communities that depression has been most keenly felt. While the grain yield was heavy, low prices minimized the net return on the crop, and the marketing of the 1922 harvest has but slightly improved the position of those in certain sections who had become indebted through two years of bad harvests. This stringency among a large number of our population has affected adversely all trade which depends upon their purchases.

The Canadian farmer is not alone in his dissatisfaction at the narrow profit margin. In the United States, each month sees a disquieting increase of farmers who are leaving their fields to find employment in the cities, and, in England, the position of the tenant farmer is said to be worse than in the eighties of last century.

The large margin which frequently exists between the price the grower receives and that paid by the consumer is causing discontent. What is more grave it is acting as a check on the population and progress of the Dominion. While something should be done to aid the farmer by improved methods of distribution and increase of storage facilities, the root of his trouble lies in the working of those economic laws which will also bring the remedy. The abnormal demand, shortage of labor and unlimited credit of war times caused prices to soar. A reversal of these conditions, a demand below normal, a glutted labor market, and a lack of credit in Europe is bringing them down. Agricultural products have been the first to bear the full stress of the falling movements, but when industrial Europe gets back to pre-war production the prices of manufactured goods will decline proportionately. In this way will be restored the equilibrium between earnings in agriculture and industry, without which there can be no enduring prosperity. Agricultural products form so large a portion of our exports that we are apt to lose sight of the fact that the annual output of our industries is valued approximately at $4,000,000,000, or over $400 per head of population. Our home industries are steadily expanding and the past year has seen a noteworthy growth in the number of American firms who, to avoid fiscal duties and to take advantage of the preferential tariffs within the Empire, have established branch plants in the Dominion. A similar policy is being adopted by British manufacturers, whose representatives have personally inspected the possibilities of the Canadian field. The announcement that a number of overseas firms intend to equip subsidiary factories in the Dominion has been hailed with satisfaction, and the new enterprises should prove a notable addition to our economic strength. The growth of our industries and commercial organizations, and the large investments in our forest and mineral resources are indicated by the Dominion charters granted to new companies, which in 1921 were of an authorized capital of over $824,000,000, and last year approached still nearer the billion-dollar mark.

Though directly and indirectly we are already taxed to an extent which is adversely affecting industry, the national debt mounts higher and we are faced with swelling interest charges. These can only be met in two ways: By drastic economies in administration, or by adding to our man-power to convert more of our natural resources into commodities. What is needed is a vigorous immigration policy to open up a new era of development. An influx of settlers brought prosperity to the United States and enabled that country to pay its great Civil War indebtedness. By inviting to our shores men and women stout of heart and with willing hands, we may achieve a like result. We must bring in new people to share with us the triple role of producers, buyers and taxpayers.

An abundance of money in the United States has rendered borrowing easy during the past year. Of capital for enterprises which become immediately and profitably productive, we cannot have too much, but there is imperative need for a cessation of Federal, Provincial and Municipal borrowing for purposes which bring in no adequate return. If Canada is to become a cheaper place in which to live, public expenditure must be adjusted to meet income.

The National Railways continue to be one of our greatest problems, and Sir Henry Thornton will have the good wishes of all in his great task of reorganization.

The decennial revision of the Bank Act will call for action at the forthcoming session of Parliament. I feel confident that as in the past, the subject will be considered solely from the point of view of the commercial welfare of the Dominion, and that few changes will be found necessary or advisable. No banking statute yet devised can prevent some hardship in times of depression, but we can claim for our system that all the moneys entrusted to us have been absolutely secure during the trying days of deflation, while in almost every other country of the world there have been some depositors who have lost their savings.

Regarding the future outlook, the unfavorable feature is the unsettled European situation. We in Canada are looking forward to the coming year with a great degree of confidence, based upon the prospect that the present industrial activity will continue during 1923, that our exports are improving and that there is no surplus of goods on the shelves to cause a reaction, and that the banking situation is secure; in fact has probably never been better.

ADDRESS OF MANAGING DIRECTOR

Mr. E. L. Pease, Vice-president and Managing Director, in seconding the motion for the adoption of the Directors' Report, spoke as follows:—

The President having in his address fully covered the general situation in Canada, and the General Manager the Bank's internal position, I shall deal briefly with the business of the Bank in foreign fields.

Each year sees the bank more solidly established in the foreign fields we have selected, and better equipped in every way to aid in that foreign commerce which forms a quarter of the total trade of the Dominion. The advantages of direct representation are brought home to us daily. The intimate knowledge that our officers acquire in the territory wherein they are placed enables us to give an efficient credit service and to offer opportunities for reciprocal trade.

Last year I stated that I had no misgivings regarding the future prosperity of Cuba. Already my confidence has been justified. There is a noticeable improvement in general trade, and optimism prevails. For the season 1921-22 Cuba produced 3,900,000 tons of sugar, in addition to which there was a carry-over from the previous season of upwards of a million tons. All these sugars were sold on a steadily rising market, from 2¼c to 4c a pound, and the new crop season begins free of any holding of sugar. The production for the coming year is expected to equal that of the past season. With our knowledge of Cuba's wonderful recuperative powers, of which we have seen repeated evidence during our long experience in the Island extending over twenty-four years, we have no apprehension whatever of failure to make a quick return to prosperous conditions.

I visited last winter our branches in Brazil, Argentina and Uruguay. These countries have suffered acutely from the universal trade depression, aggravated by decline in the value of their paper currencies, which greatly reduced their foreign buying power. The elimination of many weak business houses, which have been forced to suspend, has made for greater stability.

The recently elected President of Brazil, President Bernardez, was formerly Governor of the important State of Minas Geraes, and is recognized as a wise and sound administrator. He has outlined a strong and progressive policy designed to stimulate the development of that largest and richest of tropical countries. Canadians are already interested in some of its public utilities and will share in any increased prosperity.

The bank occupies prominent positions in the cities of Rio, Sao Paulo and Santos in Brazil; in Montevideo, Uruguay; and in Buenos Aires, Argentina; in charge of efficient officers, supported by a staff of 236. We have succeeded in establishing relations with many excellent firms of long standing, and are doing a prosperous business.

As regards the Argentine, her exports of wheat last year amounted to 3,500,000 tons, which is double the tonnage of the previous year. Other cereals compared favorably. Wool shipments aggregated 200,000 tons, an increase of 30 per cent. Exports of hides of all classes reached six million hides, an increase of over 100 per cent. The discouraging feature was the cattle business, due to excess offerings and a great decline in prices. Continental Europe were not buyers to any great extent. The coming harvest is expected to be a record one. Dr. Alvear, the new President, who assumed office in October last, enjoys a high reputation. He has selected a strong Cabinet, and the introduction of productive measures, both fiscal and industrial, are confidently looked for under his administration.

In the British West Indies, where we have numerous branches, and in Central America, normal conditions are being gradually restored. Fair prices prevailed for their staple products, sugar, coffee and cocoa. Very few failures were reported, due to the accumulation of large profits during the period of the war. The prospects of a bumper crop and a continuance of present good prices for sugar, has created a general feeling of optimism.

The efforts of the Canadian Government to extend the sale of Canadian goods abroad by means of reciprocal trade agreements, must meet with general approval. Treaties with France and Italy have already been concluded, and pacts of a similar nature with Belgium and Australia are now being discussed. The commercial rise of Japan and the industrial awakening of China are reflected in their trade with the United States, which for the year 1922, amounted to over half a billion dollars. Our neighbor now has 85 consuls in Asia, who act as trade commissioners. Similar enterprise should be shown by Canada to foster trade in this wide market, and the excellent work already done by our trade commissioners should encourage the Government to consider an extension of the service.

The passing in England of the bill to remove the embargo on Canadian cattle shipped to England will prove a great benefit to the Dominion. Owners may now send stock to be fattened in England, where a difference of eight pence per pound exists between the retail price of chilled and of home-killed beef. At one time, Canada shipped 500,000 head of cattle in one year to the English market, but the number has fallen to 21,530 during the season of 1922. No doubt our dealers and shippers will take full advantage of the enlarged market.

The Imperial Economic Conference, to which invitations have been issued by the British Premier, promises to be one of the important events of the year. It will bring together representatives of countries which have a combined population equal to that of Continental Europe, and a land area three times as great. Within the limits of this vast territory bound by friendly and preferential tariffs, there is ample room for all the products of a greater Canada. The discussion of the best means of developing the Empire and stimulating trade between its members will be closely followed.

Great Britain, in spite of a reduction of one shilling to the income tax during the year, has reduced its national debt by £300,000,000, almost half the amount of the pre-war national debt, since 1919. A remarkable feature is the decrease in the value of money on the London market. The Bank of England discount rate which was 5 per cent. at the beginning of the year, has been reduced by successive stages to 3 per cent., at which it now stands, and the bill discount rate has fallen to 2½ per cent. Great Britain is the only European nation engaged in the war which has been able to balance its national budget. Favorable features last year were the great improvement in the coal industry, and the greatly increased steel and pig iron production. Textile trades are also meeting with increased foreign demand, and the unemployment figures, although still very large, are considerably reduced from the figures of last January.

France's foreign trade shows a wonderful improvement since 1919, the adverse balance having fallen from 24 milliard francs to two milliard francs in 1921. Her fiscal position, however, is on a very unstable basis, due largely to the fact that reparation payments from Germany have been anticipated in reconstruction work. Even allowing for recovery from Germany on the conditions imposed by the Treaty of Versailles, her national debt would remain a formidable liability.

Our branches in Paris and Barcelona are not maintained for the purpose of doing a local business. They are clearing houses for our general business, and are restricted largely to the conduct of international transactions.

VOTES OF THANKS

A vote of thanks was passed to the President, Vice-president and Directors. Expressions of appreciation were voiced by several of the shareholders on the skilful manner in which the Directors had conducted the business of the bank through a trying period. The strong position in which the bank found itself at the end of this period was evidence of the ability of those charged with the direction of its affairs. Sir Herbert Holt replied on behalf of the President, Vice-president and Directors.

A vote of thanks was also tendered to the General Manager and the officers of the bank, to which Mr. M. W. Wilson, the Assistant General Manager, replied as follows:—

On behalf of the General Manager and officers of the Bank, I thank you for your kind expression of appreciation of our services. The efficiency of our organization is evidenced by the satisfactory statements your Directors are able to present to you year after year. Such results can only be achieved by the intelligent co-operation of a highly trained and experienced staff. The loyal and zealous manner in which their duties are discharged is well known to the Executive, and is a source of the greatest possible pleasure and pride. Your commendation is not, I assure you, regarded as a perfunctory expression, but will serve as an incentive to all officers to continue their efforts to advance the interests of the Bank in every way within their power.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year:—

Sir Herbert S. Holt, K.B.	C. E. Neill
E. L. Pease	Sir Mortimer B. Davis, K.B.
Jas Redmond	G. H. Duggan
G. R. Crowe	C. C. Blackadar
D. K. Elliott	J. T. Ross
Hon. W. H. Thorne	W. H. McWilliams
Hugh Paton	Capt. William Robinson
A. J. Brown, K.C.	A. McTavish Campbell
W. J. Sheppard	Robert Adair
C. S. Wilcox	Wm. A. Black
A. E. Dyment	C. B. McNaught

MR. PEASE RESIGNS AS MANAGING DIRECTOR

Sir Herbert Holt then said:—

I regret to have to announce that Mr. Pease has decided to relinquish the office of Managing Director and Chief Executive Officer, as he desires to lighten his responsibilities after forty years of service in this Bank, but I am pleased to say that he will continue as Director and active Vice-president. The office of Managing Director will be discontinued and the General Manager will become the Chief Executive Officer.

It was only yesterday that I knew that Mr. Pease had definitely decided to retire as Managing Director, and I do not think that this meeting should adjourn before we put on permanent record the great appreciation the shareholders have of the magnificent services he has rendered the Bank over a period of forty years, in which time he has created the splendid institution we have today, with its ramifications extending over a large part of the world. When he entered the Bank in the city of Halifax it was a small institution of provincial importance. Largely through his energy and foresight it has become one of the great Banks of the world. We can never adequately express our appreciation of his splendid achievement, and it will be a source of great satisfaction to the shareholders, as it is to me personally, that his great ability and sound judgment will still be available to the Bank in his capacity as Vice-president.

Sir Herbert Holt then moved a formal resolution of appreciation of Mr. Pease's services, which was unanimously adopted by a standing vote.

BANK IS STRONG AND PROSPEROUS

In thanking the Shareholders for their resolution, Mr. Pease remarked that while he had played an important part in the upbuilding of the Bank, the foundation for its success was laid by the late Mr. T. E. Kenny, who held the office of President from the date of the incorporation of the Bank, 1869, until 1907, thirty-eight years. By the wise precepts which he inculcated in the officers of the Bank and by his sound judgment and broad vision, he contributed much to the Bank's success. He was always ready to give his active support to a progressive policy. Few men in his place would have consented to the location of the General Manager in Montreal in 1900, while his Board of Directors was sitting eight hundred miles away, and this arrangement continued for seven years; nor to the change of the name from the Merchants Bank of Halifax to The Royal Bank of Canada, and the transfer of the Head Office to Montreal in 1907. He realized that there was limited scope for the development of the Bank in the Maritime Provinces, and in order that it might progress it was essential that geographically the Head Office should be suitably located. These changes made for a great deal of adverse criticism in the Maritime Provinces, but Mr Kenny never allowed personal consideration to influence him. It was a question with him of dividends versus sentiment.

In conclusion, Mr. Pease said:—

It is naturally a great wrench for me to surrender the office of Managing Director, but I feel that after forty years arduous service in this Bank, seven as Managing Director, seventeen years as General Manager, and thirteen years as Manager of Montreal Branch, I am fairly entitled to a rest. I believe in going when the going is strong, and in taking my rest while I am capable of enjoying it.

I have great satisfaction in knowing that the Bank is today in a strong and prosperous condition, never more so, and that the management is in safe and skilled hands; in fact, we have an organization under Mr. Neill that I venture to say is not excelled anywhere.

MIDLAND LOAN

Higher Earnings and Increased Dividends Paid

In view of the prevailing condition, shareholders of the Midland Loan & Savings Company should be highly satisfied with the showing made during the past year. There was an increase of close to $2,500 in net profits and an increase of one-half per cent. was made in the distribution to the stockholders. Following are comparative figures from the profit and loss account:

	1922	1921	1920
Net profits	$52,725	$50,246	$42,767
Bal. forward	19,870	22,024	28,556
	$72,595	$72,270	$71,323
Distribution			
Dividends	$28,800	$28,800	$28,800
Bonus	5,400	3,600	1,800
Reserves	20,000	20,000	18,699
Balance	18,395	19,870	22,024
	$72,595	$72,270	$71,323

Increased earnings on both capital and investment are shown in the following summary:

Year	Paid-up Capital	Profits	Div.	% on av. Cap.	Earn. Rate
1922	$360,000	$52,725	8+1½	14.6	7.4
1921	360,000	50,246	8+1	13.9	7.2
1920	360,000	42,767	8+½	11.8	6.8
1919	360.000	43,607	8	12.1	6.6
1918	360,000	41,076	8	11.3	6.8
1917	360,000	41,299	8	11.4	6.5

ARSENIC SHORTAGE SHOULD STIR UP ONTARIO OUTPUT

United States Requires Thousands of Tons Above Supply

Canada's mines and smelters should get a much better price for their white arsenic in 1923 than they received in 1921 or 1922 because the U. S. is facing a serious shortage ranging from 7,000 to 11,000 tons. In 1921 Ontario produced about 1,500 tons of arsenic which netted around $17. The figures for 1922 are not available as yet, but the production will total double that of 1921 with a lowering in the price. A report prepared for the U. S. Senate on the matter and soon to be presented, estimates the 1923 demand at from 14,850 to 18,050 long tons, with a maximum predicted supply of only 7,000 net tons. It is estimated that the cotton crop alone will require 6,400 to 9,600 tons. Sales during 1922 average 7½ and 8. However, the big trouble is that the price has not been stabilized. If it is made so around 6 or 7 cents a pound it would be attractive for the smelters.

With the exception of Deloro, Ont., deposits many others in the province have lain neglected. At Deloro for a number of years these ores were at first mined for their gold content, but eventually the gold became a by-product, and as high as two thousand tons a year of white arsenic was produced. Eventually the operation was abandoned, the mill becoming a portion of the present reduction works. In the township of Parkin near Wahnapitae Lake a deposit of auriferous mispickel has been exposed.

The present production of white arsenic is mainly derived from the ores of the Cobalt district, the arsenic being recovered in the refining works at Deloro, Thorold and Welland.

The following is the estimated tonnage of arsenic which is necessary to meet the 1923 demand:

	Tons
Lead arsenic	2,000
Paris green	1,200
Proprietary mixtures	750
Weed killers	1,500
Stock dips	1,000
Glass	2,000
Calcium arsenate	6,400 to 9,600
Total	14,850 to 18,050

Arsenic is used in the glass making industry, in the dyeing trade, for preserving furs and other uses, including the destruction of rank vegetation. It is one of the most important insecticides, and in recent years has come into active demand for the treatment of boll weevil in the cotton crop of the United States.

It is destined to play an important part in agriculture, as while it is not in itself a fertilizer, experimnts have shown that, used in small quantities to sterilize soils and kill enemies of plant life, it promotes growth.

FARM PRODUCTS FROM PRAIRIES REACH BIG SUM

(Continued from page 1)

this year. Whether this will have a depressing or stimulating effect on the market for the balance of the 1922 crop it is impossible to indicate at this writing.

Cattlemen More Hopeful

The receipts from the stockyards are $12,000,000 greater than last year. Of course the number of head represented by this increase is very much in excess of the money received. Nevertheless this amount of money has gone into circulation from this source and judging by the numbers of light and feeder cattle which have been marketed the country is pretty thoroughly cleaned up of this class of stock and, with the embargo lifted and a market for a better class of cattle in Britain, the cattlemen are feeling more hopeful. At the recent meeting of Manitoba breeders in Brandon the reports were that there was a decidedly improved demand for foundation stock.

The swine breeders admit that at the prices which prevailed in 1922 there had been more profit in hogs than in the seasons when the selling prices had been $20.00 per hundredweight. This was due to the very much lower cost of feed.

Dairying Profitable

Dairying has been one of the most satisfactory activities of the West during the past season and the make shows an increase of between five and six million pounds, all of which has found a ready market. It is rather significant to note that the returns from dairying are almost $20,000,000 greater for the three prairie provinces than for the entire sales of livestock.

Wool is another item which shows improved prices, that is the wool sold through the farmers' own organization.

There is a heavy drop in returns from potatoes but the price of hay, alfalfa and other fodders have remained pretty much the same as last year.

Look for Higher Prices

Considered from everv angle it would seem that the bottom in agricultural prices has been reached and that things are somewhat slowly and surely on the upgrade and that the outlook for 1923 is reasonably cheerful. The prices of the past year have certainly laid emphasis on the wisdom of selling only such farm products as are of high quality and in good condition. Perhaps in this sentence is the best confirmation of this idea, "There was never a better demand for good seed grain and foundation stock and never so many cows have been milked in the winter in the West."

TWO BLOCKS DAVIES SECURITIES LISTED

Well Placed on Market Recently With Opening Quotation 36 Bid, 38 Asked

Two classes of William Davies Co. Inc., securities have been listed on the Toronto market. The opening bid was 36 bid, 38 asked and the same bid stands. Monday 25 shares changed hands at 36½. This is the only sale recorded. The listing included 91,000 class "A" cumulative stock, no par value and 60,000 shares class "B" no par value.

The Class "A" authorization totals 100,000 and the Class "B" or Founders Shares, 66,000. Class "A" shares are entitled to cumulative dividends at the rate of $4 per annum in priority to Class "B" shares; after which payment, cumulative dividends of $5 per share may be declared and paid on Class "B." Thereafter any further disbursements shall be among the two classes, share for share, without distinction. In case of dissolution or liquidation, Class "A" shall be entitled to $50 and accrued interest before the next class gets anything. Then Class "B" shall be entitled to similar amount plus accrued dividends at 5%. The remainder shall be distributed share for share.

Provision is made to protect the standing of Class "A" stock if other issues are made. One of these provisions is that the assets shall leave twice the amount necessary to provide $50 a share for the Class "A" issue, also that the net earnings the year prior to the issue shall total $8 on the Class "A" issue outstanding as well as the interest dividends or sinking fund requirements of other issues. Class "A" has voting power only when dividends have accumulated to $2 per share.

The initial dividend on the Class "A" stock, $1 per share, was paid in March, 1920, which quarterly rate was maintained until June, 1921. None have been paid since.

BANQUE d'HOCHELAGA

Forty-Eighth Annual Report

GENERAL MANAGER'S ADDRESS.

Gentlemen,—Your Directors have the honor to submit to you their report on the bank's operations for the financial year ending November 30th, 1922:—

PROFIT AND LOSS ACCOUNT

30th NOVEMBER, 1922

CREDIT

Balance at credit of Profit and Loss Account, 30th November, 1921		$184,706.87	
Net profits for the year ending 30th November, 1922, after deducting expenses of management, interest accrued on deposits, rebate of interest on discounts, and making full provision for all bad and doubtful debts		604,829.57	$789,536.44

DEBIT

Dividend No. 124, paid 1st March, 1922	$100,000.00		
Dividend No. 125, paid 1st June, 1922	100,000.00		
Dividend No. 126, paid 1st Sept., 1922	100,000.00		
Dividend No. 127, payable 1st December, 1922	100,000.00	$400,000.00	
Amount carried to Officers' Pension Fund		20,000.00	
Dominion Government Taxes		75,000.00	
Reserve for Bank premises		100,000.00	
Balance at credit of Profit and Loss Account, 30th November, 1922		194,536.44	$789,536.44

A. COURTOIS, Chief Accountant

BEAUDRY LEMAN, General Manager

J. A. VAILLANCOURT, President.

The "Profit and Loss Account" shows net profits of $604,930 for the year ending November 30th, 1922, while the corresponding figures for 1921, 1920 and 1919 were $630,902, $649,739 and $611,105, respectively. The net profits for 1922 are equal to 15.12 per cent. of the paid up capital as compared with 15.75 per cent. for 1921, 16.25 per cent. for 1920 and 15.25 per cent. for 1919. The general contraction in business, without an equivalent decrease in general expenses particularly under the item of salaries was bound to affect our net profits. We can hope to make progress and to increase our profits in the measure only that our clients are themselves prosperous and see their business improve.

A comparison of the Balance Sheets for the last three years shows the following changes:—The total of notes of the Bank in circulation, which was $7,936,000 in 1919, $7,167,000 in 1920, and $6,507,000 in 1921, amounts to $5,362,000 in 1922. This gradual decrease indicates reduced business activity and lower prices.

The deposits, which amounted to $50,475,000 in 1919, to $56,276,000 in 1920 and to $55,150,000 in 1921, total $53,570,000 in 1922. Our deposits are $3,000,000 higher than in 1919 and $1,580,000 lower than in 1921. The difference is nearly all accounted for by the withdrawal of special and temporary deposits of the Federal Government. We feel proud of the remarkable stability of our savings deposits and it is only fair to congratulate those of our clients, and their number is steadily increasing, who appreciate the necessity of setting aside from their income or their salary, a reasonable proportion to provide for the uncertainties of the future and for the increase of their capital. While we invite depositors in increasing numbers to entrust us with their savings, we strive to strengthen the financial position of the bank as indicated by the figures and the quality of our assets.

Gold, current coin and Dominion Notes amount to $5,933,527, and our total cash assets form an aggregate amount of $13,895,625, equal to 23½ per cent. of total liabilities to the public.

Our liquid assets including $2,259,000 of short term loans to Municipal and School Corporations total $27,818,000, being 47 per cent. of total liabilities to the public.

Our current loans aggregating $35,138,000 against $39,654,000 in 1921 are lower by $4,516,000. This contraction in no way indicates that our clients were deprived of reasonable credit facilities, but that our loans were granted for purposes which come within the scope of good banking practice coincident with the reduction of stocks, lower prices, a smaller volume of domestic and foreign trade, demands for credit were less numerous and advances were repaid.

The total of our assets and the total of our liabilities show a decrease of about $8,000,000, with the figures of the two preceding years. This contraction on the debit and credit side of our statement reflects the curtailment of financial operations between the Federal Treasury and the banks, and also general deflation in the country. As regards the Bank, we feel that we are rapidly approaching normal conditions and we are pleased to note that the general readjustment finds us in a much stronger position than before the war. Our total assets amounted to $31,100,000 in 1913, to $33,300,000 in 1914 and now amount to $67,531,000 in 1922, having more than doubled during the last eight years.

In the course of 1922, branches were opened at St. Felicien, Ahuntsic and Beauceville, whereas branches were closed at Asbestos and Hemmingford all in the Province of Quebec. In the Western Provinces the branches at Cadillac, Grouard, Plamondon, Villeneuve and Beaumont were closed, and a branch opened at Notre Dame de Loudres.

All branches of the bank were duly inspected in the course of the last fiscal year.

Your directors wish to express their appreciation of the loyalty and zeal manifested by the officers and employees of the bank and to acknowledge that their work and co-operation have largely contributed in maintaining the bank's affairs on a solid and prosperous basis. It has been a source of much gratification to your Directors to note that the employees of the Bank continue to appreciate the necessity of pursuing their studies. We continue to afford encouragement to those who have the ambition of acquiring the necessary qualifications to assume greater responsibilities. Not only do we provide the cost of following the courses of the School of "High Commercial Studies" but we grant prizes annually to those who obtain distinction at the examinations. The chief of our Legal Department, M. Ernest Guimont, who is entrusted with the lectures on "Banking Operations" sees his courses followed not only by a good number of our employees but also by young men in the service of other banks or engaged in commercial and industrial pursuits.

Banks are organized for the purpose of distributing credit provided in the form of deposits, by making advances which must be surrounded with all reasonable security and appertain to transactions, the settlement of which is to take place in relatively short periods. These credit institutions should provide agriculture, industry, commerce and finance with the facilities necessary to their development and progress, never forgetting, however, that they have to administer the funds of the public, and that it is not wise to allow deposits payable on demand to become frozen for extended periods. Those who are entrusted with the administration of banks have another important, and possibly more delicate, function to perform, that is to guide and inform their clients on the use which may be made of banking credits and on the general trend of their business. To properly discharge their duty, Bank Managers must become familiar with economic and financial matters, in order that the advice they are called upon to give be judicious and of a helpful nature.

We take pleasure in advising you that from year to year, the number of persons of all ages and classes which avail themselves of the facilities given by our Xmas Clubs is increasing, while the amounts saved yearly show a material increase. We do not hesitate to perform a large amount of clerical work in order to encourage thrift and we believe that the establishment of Xmas Clubs is helpful to our population. The habit acquired by several thousands of persons of economizing regularly each month will have a beneficial effect not only on the present generation but also on those who from their youth are trained to become savers instead of spendthrifts.

At the last Annual General Meeting, your attention was called to the improvements carried on for the installation of our Main Office in Montreal. We have endeavored to provide our clients with a more effective and rapid service and to give our staff more commodious and cheerful premises. We hope that the public will appreciate our efforts to give them better facilities and that we will be rewarded by the increase in the number of our clients and in the volume of business entrusted to us. We wish to direct your attention to the vault placed in the basement of this building and which offers for the deposit of securities first class protection. This vault was built under the direction of an experienced architect who carried out for the account of the United States Government, a series of tests on the protection of vaults and who is now the Consulting Architect to the Federal Reserve Banks. The organization of our "Safety Deposit Box Department" will be completed forthwith, and will afford to those who will patronize our institution all necessary facilities with the greatest security.

Before making a rapid examination of general business conditions in the country, it may be opportune to direct to your attention that the decennial revision of the Bank Act takes place in 1923. The Canadian Parliament will decide as to the opportunity of passing this legislation at its next session or of postponing this enactment for one year. We hold no brief to speak on behalf of the banking community and this meeting is not the proper place to discuss the merits of our banking system. In justice to ourselves we, however, claim the right to state that our Bank Act under which our operations are carried on, is not the opinion in matters of banking of a single man or of a group of men but reflects the matured experience of several successive generations of eminent statesmen and economists, who have repeatedly analysed all the aspects of the banking problems in Canada and of the credit requirements of this country. New schemes and so-called modern methods will probably be suggested and the apostles of the State performing the functions of the merchant, of the railway carrier, of the steamship owner, may desire to realize the State Banker. Without presuming to decide the question, we believe, at least insofar as the people of the Province of Quebec are concerned, whose tendencies are strongly individualistic, that they would not take kindly to the idea of dealing with a Government employee acting in the double capacity of Tax Collector and Business Adviser. The Banks, like all human institutions, partake to a large extent of the qualifications of those who direct their operation; the improvements to be incorporated in the Bank Act should however, be in the direction of bettering the services rendered by these institutions while not paralyzing private initiative and drawing the State in experiments resulting in costly failures. We believe we are justified in stating that all the banks will welcome all measures tending towards the sound and permanent welfare of the Canadian community.

In the course of the past year the value of the Canadian dollar has steadily improved. In the early part of 1921 the United States dollar was quoted on this market at a premium of 18% and since that time the relative value of the Canadian dollar has appreciated reaching par in the month of September, 1922. This rise has been sufficient to warrant gold shipments from the United States towards Canada in substantial amounts. We should not blind ourselves, however, to the existing conditions inasmuch as we have been importing from the United States goods to the value of 170 millions more than we have shipped them, and, additionally, we have sold on their market 250 million dollars of our best securities, represented to a large extent by the Bonds of our Governments and largest Municipal Corporations. These figures may indicate that our credit stands high with our wealthy neighbors but it is no less unfortunate that our external debt should increase and our annual interest charges become heavier. Insofar as the proceeds of these various loans serve to increase the production of goods which may be profitably exported, these issues may be justified, but at no time in the course of our economic history has it been so imperative to avoid all unproductive expenses and to carefully direct the use of our National capital.

Our Foreign Trade statistics indicate that in the course of the twelve months terminated November 30th, 1922, the value of our imports totalled 752 millions and the value of our exports 860 millions, giving Canada a favorable trade balance of about 110 millions. The British Isles have relatively been our best client, having bought our products to the extent of 361 millions, selling Canada to the extent of 136 millions.

In the course of our remarks at the last Annual General Meeting we submitted some figures pertaining to the most important industry of the Province of Quebec, agriculture. We expressed the hope that in 1922 Providence would grant us better weather conditions. These hopes were realized and the crops of Quebec were bountiful this year, but we have to register a new disappointment in the fact that prices realized for same were very much lower and the outlet for the products of our agriculture restricted. The Customs Tariff raised by the United States and the economic conditions in Europe have both contributed to curtail the sale of the goo produced on our farms. Quebec's crops which were relatively small in 1921, were valued at 200 million whereas official estimates for the 1922 crops do not exceed 170 millions. In both the years 1919 and 1920 these crops amounted to over 300 millions, and we have to retrace our steps to 1917, when the value of the crops did not exceed 153 millions, to find values lower than those for 1922. These figures should not give rise to any feeling of pessimism in regard to the future of agriculture in this province, but they indicate the necessity of energetic action towards stimulating and encouraging such of our industries as absorb the greatest quantity of our agricultural products and towards securing new outlets for our cattle, hay, butter, cheese, etc. It appears to us as a matter of fairness and equity to acknowledge that there presently exists a considerable disproportion between the prices of the products of industry and of the products of agriculture. In order to have sound and stable prosperity we must strive to attain a balance not only between the remuneration of labor and capital, but also equilibrium between the various forms of labor. The laboring classes engaged in agriculture should find a just compensation for their work and inversely, no legislation which favors one class of labor to the detriment of the other can produce permanently beneficial results.

We note with satisfaction a material improvement in lumber operations and in the pulp and paper industry. The stocks of lumber have been materially reduced, particularly during the latter months of 1922, and the demand for these goods for 1923 would indicate that forestry operations will be on a larger sca and more profitable than in 1922. Pulp and paper, the manufacture of which has greatly developed in our country, now rank amongst the most important of our exportable goods and, judging from the activity in these mills and by the projected extensions to these undertakings, our forestry operations will in the no distant future become in importance a close rival to our agriculture.

The building trades have been active, particularly in the large centres, and we hope that general prosperity in agriculture, commerce and industry will increase so that we may not only keep in our country the population we have, but that we may swell our ranks with immigration of a desirable character.

Without ignoring the serious problems we have to deal with in Canada and while feeling the heavy taxes we have to bear,—the ingenuity of those who have conceived said taxes is only equalled by the embarrassment which they cause,—our confidence remains unshaken in the future of our country. This confidence rests upon the spirit of thrift and industry of the great mass of our population, and as long as these two main pillars of our economic structure remain intact we will promptly accumulate the National Capital necessary to fully place our National Labor in a prosperous condition.

STOCK MOVEMENTS OF THE WEEK

Week Ending Jan. 16

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12+1	200¼	200	200½	196¾	200½	273
Dominion	12+1	—	198	198	196	198	128
Hamilton	12	169	—	169	168	168	29
Hochelaga	10	—	151½	150	150	150	1
Imperial	12+½	—	178	181	180⅞	181	190
Molsons	12	—	170	173	170½	172	68
Montreal	12+2	—	235	237	232	237	175
Nationale	6	100	—	100	100	100	2
Nova Scotia	16	—	254	254	253	254	67
Royal	12+2	222	220	223	213	221	539
Standard	14	206½	205½	206½	205	206	68
Toronto	12	186	184	185	182	185	61
Union	10	139	138	139	136	139	145
Industrials, Utilities, etc.—							
Abitibi Pulp & Paper Co.	4	66½	65¾	68¼	65⅝	66	1318
Do., pref.	7	98½	—	99	99	99	6
American Salesbook, com.	8	35	34	35	34	34	38
Do., pref.	7	92	91	91½	91	91¼	53
Asbestos Corporation, com.	6	65	63	69½	65	65	30
Do., pref.	7	85	84	85	80	85	145
Atlantic Sugar, com.	—	23	22	23	23	23	421
Barcelona Traction	—	15½	15	16¾	14¾	15	4546
Bell Telephone	8	117	116	116½	114¾	116	2045
Brazilian Traction, com.	4	44¼	44	45	42⅜	43¾	3876
B. C. Fishing	—	25	—	24	21	22	40
British Empire Steel, com.	—	10	9	9⅜	9	9	365
Do., 1st pref.	7	69¼	68½	71½	69	69¼	545
Do., 2nd pref.	—	26¼	26	26	25½	26	785
Brompton Pulp, com.	—	38	37¾	39¾	37½	37¾	2715
Burt, F. N., com.	10	130	129	130	127	129	100
Bird & Son, pref.	7	90	89	89	89	89	5
Canada Bread, com.	—	58	57	59	56½	58	600
Do., pref.	7	94½	93½	95	94½	94½	30
Canada Car & Foundry, com.	—	33	—	34	32½	32½	195
Do., pref.	—	69	68	71½	69	69	533
Canada Cement, com.	6	78½	77	78	77	77½	264
Do., pref.	7	—	100	101	100¼	101	143
Canada Steamships, com.	—	18½	17½	18¼	17⅝	18	336
Do., pref.	—	54	52½	55	50	50¼	1759
Canadian Converters	7	94	93¾	94	93	93	95
Canadian Cottons, com.	8	116	115½	116	115	115½	716
Do., pref.	6	88	87	88	88	88	10
Canadian General Electric, com.	6	82½	82	82½	81	82½	533
Do., pref.	7	—	101½	101	101	101	2
Canadian Locomotive, com.	4	—	67	60	60	60	2
Do., pref.	7	92	91	91½	89	91	206
Canadian Pacific Railway	10	144	143	145	143	143	143
Canadian Salt	8	—	100	100⅛	100	100⅛	54
Can. Woollens, com.	—	15	—	15	15	15	8
Do., pref.	—	65¼	—	65¼	65	65¼	135
City Dairy, com.	10	—	144	143⅛	140	143⅛	143
Do., pref.	7	100	99	100	99	100	45
Consumers' Gas	10	158	156	157	156	157	57
Davies, Wm., (a)	—	37	36	36½	36½	36½	100
Detroit United Railway	6	—	67½	68	67¾	68	130
Dominion Bridge	4	75	71	72	72	72	110
Dominion Canners, com.	—	30	—	31	28½	30	225
Do., pref.	7	75	—	76	75	75¼	115
Dominion Glass, com.	6	91½	90	91¼	89¾	91	1585
Do., pref.	7	100	99	100	97	100	31
Dominion Telegraph	6	—	43	43¼	43	43	202
Dominion Textile, com.	12	191	190	191	189¾	190	1398
Dominion Coal, pref.	7	—	83	85	80	83¼	160
Dominion Iron, pref.	7	—	70	73	73	73	25
Dominion Steel Corp., pref.	6	—	77	80	79	79	35
Duluth Superior	—	30	29	29½	29	29½	35
Goodyear Tire, pref.	7	87	86	87	86	86½	269
Howard Smith Paper, com.	6	78¾	78½	78¾	77	77	186
Do., pref.	8	102½	102	102	101⅛	102	64
Illinois Traction, com.	—	—	40	41	39½	40	200
Do., pref.	6	80	79½	80	80	80	117
King Ed. Hotel, com.	10	59	53	52	52	52	20
Lake of Woods Milling, com.	12	180	—	182	180	180	93
Do., pref.	7	114	—	114	114	114	10
Laurentide Paper	6	95	93	93½	93	93	283
Lyall Construction	—	45	42	45	44	44	60
Mackay, com.	7+10	106½	105¾	107	106	106	1032
Do., pref.	4	69¾	69	70	68	69¾	252
Maple Leaf Milling, com.	8	127	123	126	122	126	237
Do., pref.	7	98	97	98	97	98	150
Montreal Cotton, com.	6	—	100	104	104	104	5
Do., pref.	7	108	—	108	108	108	10
Montreal Light, Heat, Cons.	5	105½	105⅜	105¾	104	105	1434
Montreal Trams	10	158	—	158	158	158	39
National Breweries, com.	4	50	48	48½	48	48	1439
N. S. Steel, pref.	8	—	83	85	85	85	5
Ogilvie Flour, com.	12	296	—	296	296	296	5
Do., pref.	7	115	114½	115	115	115	27
Ontario Steel Products, com.	—	42	35	41	40½	40½	35
Do., pref.	7	84	—	85	83	85	212
Ottawa L. H. & Power	6	—	88	89½	89	89	40
Pacific Burt, com.	6	94	92	95	94	94	40
Do., pref.	7	100	99	99¾	99½	99¾	37
Penmans, com.	8	130	—	131	131	131	20
Do., pref.	6	93	92	93	93	93	5
Porto Rico Railways, com.	—	27	26	26	26	26	25
Do., pref.	7	80	78	78	78	78	4
Price Brothers	2	45	44½	45	44	45	293
Provincial Paper, pref.	7	93	91	93	93	93	20
Quebec Railway	—	24	23	23½	22¾	23½	329
Riordon Pulp, com.	—	7	—	6	5	6	730
Do., pref.	—	9¼	—	9¼	9¼	9¼	50
Rogers, William, com.	—	57	54	57	56	56	15
Do., pref.	7	92	88	90	89	89	23
Russell Motor, pref.	7	62	58	60	60	60	15
Shawinigan	7	115	114⅞	115	113½	115	769
Sherwin Williams, pref.	7	—	98	99¼	98½	98½	50
Spanish River Pulp, com.	7	97¼	96½	97½	93¾	93¾	1380
Do, pref.	7	105½	104½	105	102½	102½	895
Steel of Canada, com.	7	62½	62	64	61	61¼	2166
Do., pref.	7	—	97	98	95¼	98	115
St. Lawrence Flour, com.	6	—	77½	77½	77½	77½	110
Toronto Railway	—	84½	84¼	85	84	84¾	451
Twin City, com.	4	60	59	60	59	59	145
Wayagamack Pulp	—	61	57	59	58½	58½	35
Winnipeg Electric, com.	—	36	35¼	36¼	35	35¼	161
Do., pref.	7	81½	80½	80	80	80	97
Canada Landed	10+1	84	82	84	84	84	5
Can. Permanent	12	190	188	188⅛	188	188⅛	24
Ham. Provident	10	—	132	132	132	132	4
National Trust	12	—	200	198	198	198	3